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OHIO AGENTS CONVENTION

THURSDAY, OCTOBER 23, 1941

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CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 23, 1941

\$4.00 Year, 20 Cents a Copy

Merits of Insurance Common Stocks Told at N. Y. Hearing

Experts Testify to Fitness as Investment for Trustees

NEW YORK—Strong arguments for amending the New York law to permit trustees to invest in common stocks of fire and casualty companies were put forth at the hearing conducted by the New York legislature's joint committee on insurance law revision.

George Geyer of Huff, Geyer & Hecht, wholesale distributors of insurance stocks, and Lester W. Fischer, vice-president of the investment counsel firm of Van Strum & Towne, presented exhaustive dissertations on the virtues of insurance stocks as investments for trustees. At the same time, they conceded that certain limitations should be set up as safeguards if the law were liberalized.

Lists Stocks' Virtues

Following are some of the points which Mr. Geyer brought out:

Close supervision of insurance companies in all states in which they operate implies maintenance of profitable operations, a feature not common to most stocks.

Annual statements, giving extensive information, must be filed in every state in which the company operates.

Since bonded indebtedness or issuance of preferred stocks is practically nonexistent in the insurance field, investment in common stocks is the only way in which a trustee can invest in the highly desirable field of insurance company operations.

Insurance stocks are comparatively immune to the volatility that characterizes most other common stocks and are relatively free from reaction to cyclical recessions and depressions.

Insurance stocks have an excellent record, extending over a long period of years, for payment of dividends and appreciation in value.

Conflagration No Undue Risk

The conflagration hazard has been so well anticipated that even if another San Francisco fire should occur, which is unlikely because of modern fire-resistant materials and improved fire fighting equipment, companies would be amply able to take care of losses out of current earnings. Casualty companies are relatively free from anything comparable to a conflagration hazard. In depression periods fire company managements maintain a higher degree of liquidity so as not to have to throw securities on the market in the event of a conflagration.

In spite of the relatively narrow market for insurance stocks it is entirely possible to find sales outlets and in

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Kirby Elected Head of Ontario Agents

Resolutions Call for New Commission Schedule and Rating Bureau

TORONTO—The Ontario Fire & Casualty Insurance Agents Association at its annual convention here elected John D. Kirby, Ottawa, president, succeeding S. O. Mason, Welland, president for the past five years and now honorary president. Territorial vice-presidents are: 1. A. W. Dunlop, Kingston; 2. W. H. Shaver, Midland; 3. A. A. Craise, St. Catharines; 4. A. E. Thompson, Windsor; and 5. A. R. M. Ritari, Sudbury. Charles Priestman, Toronto, was reelected secretary-treasurer for his 22nd term.

The 1942 convention will be held in Toronto.

Resolutions Adopted

A resolution was adopted calling for a council of not less than 10 members from each of the five territories including the president of each local association. The territorial vice-president is to select additional members after consultation with the local association presidents.

Efforts to reduce commission rates were vigorously opposed because of fire premium rate reductions, increased wartime living costs, increased war taxation and increased costs of business operations. In view of rising costs companies may be asked to pay higher, not lower commissions to agents, a resolution states.

In face of the Canadian Underwriters Association's refusal to change commissions on annual premiums from 15 and 20 percent to a flat rate of 20 percent, another resolution held: "Thereby be it resolved that this convention of our association hereby instruct our executives to adopt the said 20 percent commission to go into effect not later than Jan. 1, 1942; also in the event of annual business being converted to three years business the above 20 percent apply on all premiums and the rates of commission be based on location; the rate of 25 percent to apply on all other three-year business except farms."

A resolution advanced by the Ottawa Fire & Casualty Insurance Agents Association, was passed, calling for a stabilization of rates on a fair and equitable basis. It was held that under the present rating organization this condition is not obtainable due to competition between companies, so a rating bureau similar to that in New York state was proposed.

Approval was given the proposed agents' qualification law text drafted by the joint committee of the Ontario agents association and the Toronto Insurance Conference.

Favors Own Finance Company

Formation of an automobile finance company to be operated by the Ontario association was recommended by S. O. Mason, president, in his annual report. Insurance activities of finance companies result in considerable loss of revenue for agents. "We should consider

Outlines Current Marine Headaches

Inferior Ships, Hasty Handling Are Perils, Underwriter Says

NEW YORK—Headaches of marine underwriters in war time are by no means limited to the war risk situation, according to Walter S. Kaufmann, ocean cargo underwriter Marine Office of America, who has an interesting article on marine insurance in war time in the Oct. 20 issue of "Export Trade & Shipper."

After reviewing the various war risk problems Mr. Kaufmann points out that the shortage of tonnage resulting from the war has meant that old vessels which had been laid up for years were brought up and pressed into service. Many American ships were sold to foreign companies, some of which were American-owned but the ships fly the foreign flag.

Underwriters have had to watch these ships carefully, charging additional rates when inferior ships were used. Other conditions requiring continuous and careful scrutiny include fast loading of steamers and the probability of improper stowage and hasty unloading, factors tending to increase losses and eventually necessitating increased rates.

While it would be wishful thinking to say that things are now sailing smoothly or to expect that the worst problems lie behind. Mr. Kaufmann holds that the bright side of the picture is the cooperation of the underwriters and the basic soundness of their method of doing business.

forming a finance company in order to protect this income, although with restrictions being placed on the sale of

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Losses in Sept. Set New High Record for Month

The increase in fire losses in September as compared with the same month a year ago marked the third successive month in which losses reached new peaks for that particular period. The losses in September were \$24,688,000 which compares with \$21,198,000 in September, 1940, and with \$23,372,528 in 1938 which until now has been the peak September in point of losses.

The total loss for the first nine months of this year is \$236,441,000 which is 1.77 percent above the record for the parallel period of last year of \$232,312,380. Herewith are the figures by months and the totals for the first nine months of 1940 and 1941:

	1940	1941
January	\$ 36,260,650	\$ 26,470,000
February	34,410,250	26,102,000
March	29,738,800	31,471,000
April	26,657,190	29,330,000
May	23,446,590	25,637,000
June	19,506,000	24,943,000
July	20,322,800	23,698,000
August	20,722,100	24,122,000
September	21,198,000	24,688,000

Total 9 mos. \$232,312,380 \$236,441,000

Forshay and North Two Chief Officers of Agents' Body

Interesting Situation Arises Over the Nomina- tion of Vice-president

While it was a foregone conclusion that R. W. Forshay of Anita, Ia., vice-president National Association of Insurance Agents, would be elected president, there was much doubt this year as to who would be the second man. In fact, the prognosticators had a very difficult time in endeavoring to put their fingers on the winner. It was not settled until the nominating committee met late Wednesday afternoon. Some who pretended to be close to David A. North of New Haven, Conn., member of the executive committee and chairman of the membership committee, who felt that they could speak officially for him, stated that he would not be a candidate, the reason being given that in the readjustment of his agency his time and energy all would be taken. However, as the time drew near, Mr. North said that he would not in any way campaign for the position but he would not quit. In other words, he was still in the running.

Fred A. Moreton Had Many Backers

The strategists and politicians of the organization had settled on Fred A. Moreton of Salt Lake City. Mr. Moreton has gained a high reputation for his executive committee work and is looked upon as a very strong man. It was felt certain that he would accept the position. However, Mr. Moreton confounded his followers by stating in a letter read at the nominating session that he could not accept the position this year. He is said to be in good shape financially in a personal way but he has a one-man agency and he was very pronounced in his declaration that he could not undertake the work at this time because he had made no plans for his agency. However, he did hint that if the organization was in a mind to elect him next year, he would be available. He will undoubtedly be a strong contender in 1942. Mr. Moreton was nominated at the very beginning of the session of the nominating committee.

T. A. Sturgess of New Haven, Conn., a close friend of Mr. North, got the floor and stated that the first requirement of a nominee should be that he would accept. He said that he was authorized by Mr. North to say that he would take the place if chosen and this was concurred in by Mrs. North and the members of the North Insurance Agency. This statement seemed to sweep the audience more or less.

Then a number of the men who were backing Mr. Moreton lent their influence to L. W. Garlachs of St. Joseph,

(CONTINUED ON PAGE 14)

Cite Lessons of Fire Loss

Discussion of Hypothetical Case at Kansas City Elicits Valuable Pointers

A much appreciated feature of the Kansas City convention of the National Association of Insurance Agents was the group meeting during which some sugar coated pointers on fire insurance were given in the form of a discussion of a supposititious loss on the part of the insured department store owner, his agent and an adjuster for the companies.

Sidney O. Smith, Gainesville, Ga., was chairman of the group meeting, Leo E. Kietzman, secretary American of Newark, guided the discussion; Chas. W. Bolinger, Newark, impersonated the insured; W. M. Sheldon of



W. M. SHELDON

W. A. Alexander, Chicago, was the agent, and Wm. E. Hill, secretary Fire Companies Adjustment Bureau, New York, the adjuster.

The supposed loss had occurred just after Agent Sheldon had made and delivered a complete survey of the risk but the insured had not yet had time to act on the recommendations. Loss was total and approximated \$100,000.

Sprinklers Were Blitzkrieged

The risk being sprinklered, the insured said he had never imagined he could have a total loss, but the fire had started in a neighboring building and put the sprinkler equipment out of commission. After quite a selling campaign, Agent Sheldon had persuaded the insured to permit a survey of his business thus putting responsibility on one agent instead of 12 as in the past. First proof of value of the survey was the prompt offer of Agent Sheldon to assist in the loss adjustment. He managed to get the interested companies to agree on one adjuster, Mr. Hill, eliminating controversial discussion by several adjusters.

Adjuster Hill told insured "not to get nervous over the loss." Being total and very little probable salvage it would not be a difficult job. He recommended protection by the insured of such salvage as remained according to policy terms.

H. A. Blomgren, Minneapolis, raised the question of obsolescent goods which was discussed. Mr. Hill said this would run from 2½ percent to 7 percent in normal times—higher for chain stores. But now the inflation prospect tends to negative the obsolescence factor. "Old merchandise may come to life," Mr. Hill said. Each store loss must be handled as the adjuster finds it. A fourth floor full of merchandise points to a high percentage of obsolescent goods, anywhere from 10 to 15 percent.

The question of the store's bookkeeping was brought up by L. C. Hilge-

mann of Milwaukee, whether that of this risk was up to date. This brought out the question of probable value of goods sold the day of the fire, still shown only on sales slips. Importance was pointed out of keeping all such records and other store books in fire proof safes or vaults. Mr. Hill referred to the value of duplicate records but also cited necessity for taking into account additional cost.

Agent Sheldon described the policies he had recommended in his survey and why. Blanket fire form and specific sprinkler leakage, he had suggested. He found insured was using book values for insurance purposes. He had recommended a blanket form for building, furniture and fixtures and a competent appraisal of the risk.

The question of three and five year term as opposed to single year policies was discussed. This raised the question as to whether federal tax would be charged on total term premium or on a reserve set up for unearned years. It was agreed this would be a subject for expert opinion.

Agent Sheldon, in his survey had recommended carrying unearned premium insurance, also that personal property of officers and employees be properly covered. Returned goods and merchandise sold but not delivered were discussed. Also interests of concessionaires in the store.

The use and occupancy and loss of earnings came in for considerable discussion. How present rapidly changing conditions affect this coverage was treated. The factor of much longer time than normally required for restoring the building was recognized and its bearing on resumption of business, even though the bulk of the stock could be replaced sooner.

The question was raised as to whether there would be an overlapping of coverage if both accounts receivable and credit insurance were carried, and E. D. Kelly, Leavenworth, Kan., said it would not, as the coverages contemplated different risks.

Leasehold insurance, furriers' floaters were also touched upon. Mr. Hill summed up the subject crisply by saying that many adjustment problems can be handled simply if it is always remembered that "We've got to make the man whole—whatever procedure would make him whole would be the answer."

Plans for the annual stag party and installation banquet of the **Seattle Blanket Club** on Nov. 7 have been completed, according to President Wallace D. Corbett.

Fall River Fire Cost to Insurers May Be \$10,000,000

NEW YORK—Just what the losses of fire and marine carriers will be in the spectacular fire at Fall River, Mass., that burned the plant of the Firestone Rubber & Latex Company, none of the underwriters is prepared to guess at this time. The fire was still burning early in this week.

The building and machinery schedule for the big plant was covered by the Factory Insurance Association for a total of \$8,500,000; and a gross loss of between \$4,500,000 and \$5,000,000 is expected. Firestone officials indicate that more than \$3,000,000 worth of machinery was lost.

Fireman's Fund on Part

While some of the stored rubber was the property of the Firestone Rubber & Latex Co., the large percentage affected by the fire, some 18,000 tons, was held for the Rubber Reserve Corporation, a federal government subsidiary. This was insured by a group of five marine writing companies under an ocean marine cover from points of shipment in the Far East to delivery on the docks here and subsequently while in warehouse storage. Fireman's Fund is said to have carried a \$1,400,000 floater on rubber owned by Firestone.

No use and occupancy insurance was carried on the plant.

The loss is reputedly the worst in the history of the F. I. A., and it is expected to exceed the Salem, Mass., fire of 1914 and the most severe since the San Francisco conflagration in 1906.

Little Salvage Expected

The prospect of gaining any considerable salvage from the vast stock of crude rubber stored in the burned buildings is held to be remote. The product is buried under the debris of the collapsed structures, and the expense of removing the mass will be heavy, and may make any salvage impossible. Underwriters feel that a saving of 10 percent would be surprising.

With first reports of the fire and the great amount of crude rubber destroyed, underwriters were hopeful. They recalled the \$200,000 recovered from a Brooklyn warehouse fire some five years ago, and a lesser sum, though a larger percent as to insurance involved, in the mid-Hudson terminal fire on the New Jersey waterfront last June.

Adjustment of the building and machinery loss for the F. I. A. will be supervised by H. E. Adams, assistant manager of the organization, aided by W. C. Feimster, Jr., manager of the Philadelphia branch of the Fire Companies' Adjustment Bureau, and by

Floater Approved by Morin for Rhode Island

Agents Association Convention Hears of Action on Personal Property Form

NEW OFFICERS ELECTED

President—Walter R. Johnson, Providence.

Vice-president—Carleton I. Fisher, Providence.

Secretary—William A. Lester, Providence.

Treasurer—Robert S. Preston, Providence.

National councillor—Henry E. Davis, Providence.

By RALPH E. RICHMAN

PROVIDENCE, R. I.—Two important events highlighted the annual convention of the Rhode Island Association of Insurance Agents. It was announced by Donald C. Bowersock, vice-president of Providence Washington, the personal property floater may be written in Rhode Island after Nov. 1 under a ruling of Commissioner Henry Morin.

David North, New Haven, newly elected vice-president National Association of Insurance Agents, on behalf of that organization presented the membership gain cup to the Rhode Island association. The gain in Rhode Island was 40 percent last year. K. P. Chace, chairman of the membership committee, received the cup for the association.

About 100 agents were on hand when President Henry E. Davis called the convention to order. E. A. Cordes, America Fore group, New York, was introduced by Carleton I. Fisher, Providence, edu-

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Prentiss B. Reed, independent adjuster of New York. Handling of the rubber loss is being directed by E. E. Heins, manager of eastern division of the Fire Companies Adjustment Bureau. Engineers of the F. I. A. are making a study of the fire.

The constitutional amount the F. I. A. may assume upon any single risk is understood to be \$5,000,000. For the writing of anything beyond that figure specific authority must be had from member companies. That such permission is oftentimes granted is evidenced by the large lines carried by the organization on plants doing defense work.

N. F. P. A. Warning

On Oct. 8, just four days before the fire, Robert S. Moulton, technical secretary of the National Fire Protection Association, wrote a letter to Major C. G. Richmond of the government's production plant division. Mr. Moulton stressed the critical nature of the situation at the Fall River plant, and strongly urged that responsible agencies take immediate steps to remove the important rubber storage to safe locations, with small quantities only kept at the plant for manufacturing purposes.

Mr. Moulton warned of the hazards of concentration, and pointed out that while the buildings were sprinklered, the systems originally had been installed for the cotton industry, and in addition to being old were inadequate for stored rubber.

Two army officers had inspected the plant, and it was as a result of their report to the office of under secretary of war that N. F. P. A. was asked for its opinion of the situation.

THIS WEEK IN INSURANCE

R. W. Forshay of Anita, Ia., is elected president and David A. North of New Haven, Conn., vice-president National Association of Insurance Agents. **Page 3**

Experts put forth strong arguments for amending New York law to permit trustees to invest in common stocks of fire and casualty companies at hearing before legislature committee. **Page 3**

Ontario agents elect J. D. Kirby president at annual meeting. Adopt resolutions calling for commission changes and new rating bureau. **Page 3**

Countersignature issue looms up again from different points. **Page 5**

Superintendent Pink of New York urges closer economic union with Canada before Ontario Fire & Casualty Agents Association. He also stresses the need for solving the difficult rate problem on large risks. **Page 5**

Local agents were much interested in the forum discussions at the National Association of Insurance Agents meeting in Kansas City. **Page 4**

J. H. Macfarlane, Chicago, secretary western department America Fore, was

elected president of the Life Members Society of the old Northwest Association. **Page 12**

Rhode Island Association of Insurance Agents in convention hears of Commissioner Morin's approval of personal property floater for sale in state. **Page 4**

New dwelling and house furniture fire form No. 49 announced applicable in many central western states. **Page 8**

Ohio Association of Insurance Agents had an outstanding annual convention at Toledo this week. **Page 18**

Number of important underwriting questions are considered at meeting of 75 company representatives with Illinois insurance department. **Page 27**

Casualty companies protest proposed Massachusetts automobile liability rates at hearing before Commissioner Harrington. **Page 29**

Formula on unearned premium reserve on three-year installment compensation policies adopted by Association of Casualty & Surety Accountants & Statisticians in Baltimore. **Page 27**

Security of New Haven advances F. S. Bankhardt to assistant secretary. **Page 41**

H. V. Smith's Group Had Been Alert at Fall River

Series of Urgent Recommendations Was Made by Defense Committee

Harold V. Smith, president of Home of New York, in his capacity as chairman of the insurance committee for the protection of American Industrial Plants, has released a statement regarding the inspection and recommendations made by his committee as to the fire hazard in the Firestone Rubber & Latex Products Company at Fall River, Mass., which was destroyed in the sensational fire the other day. The National Fire Protection Association had announced just four days prior to the fire it had submitted recommendations to the war department.

Mr. Smith reveals that last April the War Department notified Mr. Smith's committee that the Firestone plant was on a list of high priority defense plants. Accordingly, Mr. Smith's committee referred the matter to the interested insurer, it being the Factory Association of Hartford.

The F. I. A. on April 28 made an inspection and submitted its report to Mr. Smith's committee. Later, on June 4, the committee made a report to the undersecretary of war stating that Firestone was storing for the government an emergency supply of crude rubber in buildings known as the 100 group. Those buildings had been vacant for many years and sprinkler protection withdrawn during that period. Although the insured was having the sprinkler protection restored, Mr. Smith's committee stated that there were many difficulties involved in doing the work and there was a serious delay.

Fire Cutoffs Inadequate

Fire cutoffs in this group were inadequate, the committee stated, partly because of fire doors not being in good condition as well as some unprotected openings being present. There were numerous pipe, belt and miscellaneous holes in the floors which had not been closed up although the committee had recommended that this be done.

The committee added that there was

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Economic Union with Canada Urged

Superintendent Pink Eyes Rating Problems, Large Risk Competition

TORONTO—Closer economic union between Canada and the United States was urged by Superintendent Pink of New York before the annual meeting of the Ontario Fire & Casualty Agents Association here. After pointing to the freedom with which Canadian and U. S. companies operate in both countries, Mr. Pink said that the United States has at least three times as much money invested in Canada as in any other country in the world and "today we cannot be sure that our foreign investments are safe anywhere except in Canada," which emphasizes the need for closer economic ties.

When one views the mess that economic rivalries have brought to curse us, it is no idle dream to envision the free play of commerce and industry over the entire North American continent, Mr. Pink declared. "We have done very well without forts. May we not as friends and partners do even better in the perilous future which we face without custom houses?"

Economic Union Now

"Whether there is a political boundary between the United States and Canada makes little difference. But it is urgent for the maintenance of individual rights and self-government, of peace and prosperity on this continent, that there be economic union now."

The main purpose of insurance, to share risks and protect men and women against catastrophes of life is a wholly beneficent one, Mr. Pink said. As a bulwark and stimulant to business it also contributes much to the economic welfare of mankind.

Few people realize how important fire and casualty companies are today in the defense and war effort. Their experts and engineers assist government agencies in preventing accidents, fires and sabotage and in perfecting those methods and improvements which make our great industrial machinery run smoothly.

Rating Is Most Difficult

Fixing the price for the many types of insurance protection is most difficult. "We are trying to make it as actuarially sound as possible but rating is still in the experimental stage and we are far from perfection." Insurance is in the

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Fuller Again Active as N.A.I.A. Photographer

Harry H. Fuller, deputy U. S. manager of Zurich, again proved his skill as a photographer at the National Association of Insurance Agents meeting in Kansas City. Most of the informal pictures taken at the N.A.I.A. gathering which are reproduced in this issue were taken by Mr. Fuller.

Acquisition Costs Too High, McNairn Tells Ontario Meet

TORONTO—Acquisition costs on fire and casualty business in Ontario are too high, Superintendent McNairn of Ontario, declared before the annual convention of the Ontario Fire & Casualty Agents Association. One reason for this high acquisition cost is the fact that agents' commissions account for 50 percent or more of such costs, he declared.

Claiming that the average commission paid on fire and casualty business in Ontario is 28 percent, he stated that commission rates are too high for the service rendered in most cases.

Stresses Trustee Relationship

"Fire and casualty insurance companies are trustees," Mr. McNairn stressed, "in the same position as trust companies handling trust funds. When the cost of operating exceeds 50 percent, the danger signal has been given. It is such things as this that lead governments into the insurance business."

"The agent should be paid on the basis of service rendered and the time has come for agents to give thought to the establishment of proper commission bases on the principle of service rendered."

Mr. McNairn stated that he approved of a reasonable insurance agents' qualification law. Appointment of new part-time agents is not in the best interests of the insurance business as there are already too many part-time agents, he stated.

Student Award in Philadelphia

The Insurance Club of Philadelphia has established an annual award of \$10 to be presented to the student attaining the highest average in the general principles, fire or casualty courses sponsored by the society.

Countersignature Issue Flares Up in Three Sectors

Difference of Opinion Is Noted When the Subject Is Discussed

The countersignature issue has come to the front again from three different directions. First, the National Association of Casualty & Surety Agents at its meeting in White Sulphur Springs again went on record as approving the agreement between that organization, the National Association of Insurance Agents, the National Association of Insurance Brokers and the Association of Casualty & Surety Executives as to countersignature but with one exception. The general agents body disapproves of the maximum and minimum amounts allowed countersigning agents where premiums of \$1,000 or less are involved. Under the agreement the minimum amount for countersigning is \$5 and the maximum \$50. The general agents association takes the position that the matter of commission should be left to the producer originating and servicing the business and the countersigning agent because of the difference and degrees of service that are required.

Forshay Explains Situation

At the convention of the National Association of Insurance Agents, the session of the national councillors brought up the subject and it was apparent that there was much disagreement among the agents as to the countersigning agreement. R. W. Forshay of Anita, Ia., who was presiding, brought the subject up to date, stating that the Association of Casualty & Surety Executives had notified his organization, that is, the National Association of Insurance Agents that there were some changes that it desired. It announced that it had appointed a committee to take this up with the producers and requested the National association to have a committee at White Sulphur Springs when it would be considered. The National association informed the casualty body that it would be inconvenient and then the casualty association stated to the agents that it would

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On the job at National association meet in Kansas City: Sidney O. Smith, Gainesville, Ga., executive committee chairman; Frank T. Priest, Wichita, Kan., and George W. Scott, director educational division National association; Eugene Battles, Los

Angeles, W. H. Menn, Los Angeles, and R. W. Forshay, Anita, Ia.; (inset) Louis Fuelbier, Quincy, Ill. The attention and alertness evidenced in the pictures here was characteristic of the convention.

Premium Finance Small Agency Topic at N.A.I.A. Contab

The application of premium finance plans to the local agency was the chief topic developed at the Group 1 session for agencies producing up to \$100,000 at the N.A.I.A. convention. This discussion was ably led by Cheney Prouty of Kansas City, Kan. Ed H. Moore, Birmingham, Ala., was acting chairman of the session and Broadus Bailey, Greenville, S. C., was secretary. Their task was rendered difficult by the absence of several scheduled discussion leaders.

Getting premiums financed is no longer much of a problem, Mr. Prouty declared, for a great many local banks offer good rates and several of the companies have finance companies as affiliates. He advocated referring to premium finance plans as deferred payment arrangements rather than finance plans. This overcomes a psychological barrier which a good many prospects have built up against financing. He felt that many men would rather deal with their local banks than with some outside company.

Ivan H. Anton of Des Moines described how he finances business himself. He said his agency had found this a source of income and that customers usually preferred doing business with him to a bank or a finance organization.

Warns of Dangers

Mr. Prouty then warned of the dangers of offering to finance small premiums. For one thing, the assured is liable to feel that such an offer is a reflection on his financial solvency. Another factor is that the extension of financing to small premiums puts insurance into the same class as the many other items on which the customer must pay each month. Consequently, it is just one of those things which the individual feels he can neglect for considerable time with impunity.

Mr. Prouty described his policy of clipping a little personal note to each one of the overdue bills he sends out of the agency and said this has been very helpful in rounding up delinquent bills. He advocated a deadline date for premiums other than the first of the month, because the assured is so burdened with other bills at this time. He advised getting a jump on the other creditors by sending out bills at some other time of the month and said that he had found the middle of the month advantageous.

Comprehensive Liability Treated

A. W. White, Seattle, was the leader of the discussion on the comprehensive liability policy. Mr. White inveighed against letting special agents handle any part of comprehensive sales, as has often been the practice. The contract is not too complicated for the local agent to handle and in it the local agent has the best sales argument he has ever had. If the local agent lets the company man place himself thus favorably in the eyes of the client and is incapable of handling the situation himself, this is a direct argument in favor of direct writing branch offices.

Mr. White described the comprehensive liability policy as the first one which the average layman could understand. Not the least important of its features is that it cuts down on the time which the agency would have to spend in servicing the same risks under a set of individual policies.

Discussion from Floor

In the absence of the appointed leader for discussion of accident and health, the discussion consisted of a series of exchanges from the floor. The best way to expose the shortcomings of the low priced A&H insurance being offered to the public by newspapers, etc., is to analyze the coverage for the customers, it was brought out. By merely pointing



Speakers at microphone at N. A. I. A. gathering in Kansas City: W. A. Sullivan, insurance director Loose-Wiles Biscuit Co., Kansas City, and Commissioner Charles F. Hobbs of Kansas.

out what coverages offered in a positive way, the agent can get his point across.

Broadus Bailey, Greenville, S. C., led off the discussion of agency systems with a description of the way his agency is training a young man. It has the young man check over policyholders and solicit them for additional coverage. This method has met with considerable success, for the policyholders are often indulgent with a cub agent, while they might resent one of the agency members checking back over their affairs. In addition the young man gets training in actual field work and is kept more profitably busy than might otherwise be the case. Others described similar circumstances with regard to the training of new men in their agencies and the impression was given that this is altogether a difficult problem. Most of the participants felt that the answer to the training lay in a proper balance between formal insurance education from books and short course schools, work in the office and actual soliciting experience.

The scheduled discussion of direct mail solicitation was dispensed with in the absence of preparation.

George Wohlgemuth Goes to New York Office

George E. Wohlgemuth, news editor of THE NATIONAL UNDERWRITER at its Cincinnati office, and editor of the "Industrial Salesman," the monthly publication issued by The National Underwriter Company for industrial life and accident and health companies and agents, is transferred to the New York office at 123 William street, where he will continue in a similar capacity. Hereafter the editorial work of the "Industrial Salesman" will be handled in New York but the business department will continue in Cincinnati.

Had Much Field Experience

Mr. Wohlgemuth has had an excellent training in insurance news work. He started at the Cincinnati office after graduating from the University of Michigan and then was transferred to Chicago for more intensive training. He was sent into the field as a salesman in order to get first hand information regarding insurance. In Cincinnati he had a wide acquaintance among insurance men. He will be succeeded as news editor in Cincinnati by Louis H. Martin, who will add that to his other duties.

Add to Panel of Arbitrators

John M. Balliet, general agent of Fidelity & Deposit, Appleton, Wis., and

Donald A. Adams, local agent of New Haven, Conn., have been appointed to the national panel of arbitrators of the American Arbitration Association. The association now has over 8,000 leading citizens in 1,600 cities who are available to act as arbitrators in commercial and industrial disputes.

Tampa Agent Finds Good Use for a Parking Meter

A novel advertising stunt for local agencies was described by James W. Warren, Tampa, Fla., at the group 1 session of the N.A.I.A. convention. Parking meters were recently installed along the streets of Tampa and Mr. Warren and his associates hit upon a scheme for utilizing them.

The procedure is simple. The agency engages the services of a trustworthy young boy at 50 cents an hour and gives him a sack full of nickels. The lad then patrols the streets of the town inspecting each parking meter. Wherever the red flag is up showing a car has overstayed its allotted time, the boy sticks a nickel in the slot. Then he attaches to the doorhandle of the car a card which informs the owner that the agency has inserted a nickel for him and saved him a \$1 fine and that in the future it would enjoy similarly saving him from an insurance loss.

SIDE LINES NEED TYING TOGETHER AND SURVEYS

WILL DO THE JOB. IT IS THE THINKING THAT GOES INTO THE SURVEY NOT A FANCY COVER WHICH DETERMINES ITS WORTH.



Will Wrightem
FIELD CORRESPONDENT

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SEE PAGE 43

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Insurance carries on
while your property
insurance helps in the re-
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N. B. Send this memo to your clients

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MONTREAL

Much Depends on Forthcoming Ruling

Ohio Department Holds Hearing on Automobile Finance Business

COLUMBUS, O.—Hearing on the question of whether or not a fire company which accepts applications for insurance on financed cars from automobile dealers or finance companies violates the Ohio resident agency laws was held before Superintendent J. A. Lloyd. The respondent in a proceeding before the superintendent by L. U. Jeffries, warden of the department, was the Service Fire of New York. The hearing was continued to Oct. 25, when the company will present its side of the case.

Placed in evidence were advertisements of C. I. T., nation-wide discount company engaged in the financing of automobiles. The warden contended that the operations of the company were such that the insurance upon cars financed by C. I. T. was placed through automobile dealers and through the finance company, instead of through licensed resident agents as required by law.

The proceeding is one which will be of far-reaching effect, it was said in the insurance division. If the superintendent rules that the company is not in violation of law in its present mode of doing business that method will probably become universally adopted in Ohio; if, on the contrary, the ruling goes against the company, since most insurers of financed cars follow a like or nearly like procedure in obtaining the orders, the business would be turned into local agency channels. Great interest, therefore, is evidenced in the forthcoming decision, as the premiums involved run into large figures. Practically every car purchased on time and financed is required to be insured by the money lender.

New Dwelling Fire Form No. 49 Is Announced

The new revised dwelling and household furniture form No. 49 has just been announced applicable to a number of central western states. It provides several new items of broader coverage.

The most important change, perhaps, is the \$1,000 maximum limitation of extension of coverage to outbuildings including garages. In the old form 5 percent of the coverage on dwellings was extended to outbuildings, the same as in the new one. The new limitation has little, if any, effect on amounts of dwelling coverage under \$20,000, but would demand that the purchaser of a large line of dwelling fire cover, for instance, \$50,000 or \$100,000, buy an adequate amount of specific insurance on his outbuildings, which otherwise would be covered for only the amount of specific insurance that he had on them plus the 5 percent of the face amount, which operates as excess cover.

Illustration of Coverage

For example, if a man has a \$5,000 policy covering dwelling, with \$200 specific insurance on garage actually valued at \$500 and has a total loss on the garage, the specific insurance first would pay, then 5 percent of \$5,000, or \$250 extension would pay, leaving the assured a net loss of only \$50.

Another new provision in item 1 is extended coverage on trees and shrubbery, which may be provided by paying an extra premium. Heretofore this coverage could be bought but was not printed in the form. The premium rate

for this coverage in Illinois is \$2.20, which is said to be the rate generally throughout W. U. A. territory.

In item 2 a new provision is extension of coverage within a 10 percent limitation to property left in the open on the premises. Thus laundry, porch or other furniture left on the lawn or back yard and damaged or destroyed by fire, windstorm, etc., would be covered within the limitation.

The new form was announced applicable to Illinois, excluding Chicago and Cook county, Oct. 4, Nebraska, Oct. 2; the mountain states (Colorado, Wyoming and New Mexico) Oct. 10; Tennessee, Indiana and Ohio, Oct. 1; Minnesota, North and South Dakota and Kentucky, Oct. 20. The form has not yet been adopted in Chicago, but is being considered. It was indicated some revision will be made in the new form before it is approved by the Chicago Board.

Jurisdictional Conference

NEW YORK—C. F. Thomas, manager Western Underwriters Association, and Lloyd T. Wheeler, manager South-eastern Underwriters Association, were

here this week, talking over regional matters with G. F. Neiley, manager Eastern Underwriters Association. Conferences between the heads of the regional bodies have taken place from time to time in the past, and will likely be held more frequently in future, to unify practices in the different jurisdictions as far as possible.

T. J. Kennedy of Corpus Christi, Tex., has been appointed general agent for the Halifax. He is a brother of United States Manager Paul Kennedy of the company in New York.



*photograph by
courtesy of*

ADT
**AERO AUTOMATIC
FIRE ALARM**

Had it not been for Aero Automatic Fire Alarm, the above photograph of the A. B. Patrick tannery in San Francisco would not exist. It was taken a few days after a fire which unquestionably would have resulted in serious damage, if not total loss, had there been any delay in discovery or alarm.

The outbreak, caused by spontaneous ignition, occurred in an unoccupied section of the plant. Company officials stated that, had there been no automatic protection, the blaze probably would not have been discovered until it assumed sufficient proportions to be seen from outside. In view of the wooden frame construction and other hazards typical of tannery occupancies, any such delay inevitably would have resulted in disaster. As it was, Aero detected the outbreak and

summoned the fire department automatically, and the blaze was extinguished before any damage resulted.

★ ★ ★
This is but one of countless cases proving that the only certain way to assure prompt detection and reporting of fire is through protection systems that operate automatically. With the increased hazards resulting from increased industrial activity, this type of protection is more essential than ever before. If any of your clients are without adequate, dependable protection or are facing increased fire hazards through participation in defense production, sabotage possibilities, etc., our representative in your city will be glad to cooperate with you in preparing suitable protection recommendations. Write for further information.

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ADT

Program Announced for Arizona Meeting

Interesting Schedule for Two Days Gathering at Tucson Is Arranged

TUCSON, ARIZ.—W. E. Clapp of this city is chairman of the convention committee of the Arizona Association of Insurance Agents, which will meet here in the Pioneer Hotel, Oct. 31 and Nov. 1. The program is arranged to give full attention to methods of safeguarding and advancing the interests of agents in this territory and also much attention will be given to production problems. H. G. Wilson of this city is president and R. N. Martin of Tucson, secretary. V. M. Haldiman of Phoenix is chairman of the executive committee and W. C. Miller of the same city, vice-president, George E. Allen, vice-president of the Home, and S. R. Aitkin, district manager Stock Company Association in San Francisco, will be the two chief set speakers.

The executive committee will meet Friday morning and there will be a luncheon meeting of the committee with the Arizona advisory committee.

Attorney Melcer on Legislation

The first general session will be held the afternoon of Oct. 31, when there will be a discussion of legislative problems by J. T. Melcer, attorney of Phoenix, counsel for the association. He will outline ways and means to strengthen the agency qualification law and the automobile financial responsibility law. He will also discuss proposed legislation relating to public liability of school districts. The annual reports of officers and committeemen will follow. The film, "Say It In English," produced by the Aetna Casualty will be shown.

The agents will hold an executive session and during its progress there will be an informal meeting of executives, managers and field men. On the first evening company representatives will be hosts to the convention at a cocktail party which will be followed by the annual banquet.

On the morning of Nov. 1, talks will be given by Vice-President Allen and Mr. Aitkin and there will be a panel discussion led by J. T. Breckon of San Francisco, assistant director of the Business Development Office on "Adjusting Losses Before and After They Occur." His associates will be E. L. Thomas, Phoenix, manager Fire Companies Adjustment Bureau; J. A. Murphy, Phoenix, Valley National Company, and Lee Colburn, state agent America Fore.

There will be a luncheon discussion meeting Saturday noon. Assigned field men will be in charge of the discussions of particular topics and those interested will gather at the table discussing the subject. The golf tournament will be held in the afternoon at the El Rio Golf & Country Club in charge of Harold Tobrea and William Ecker. Many will go to the Arizona-Texas Mines football game that afternoon. Ladies attending the convention will be given special entertainment by a committee of the Insurance Women of Tucson of which Miss Mary Reilly is chairman.

Farm Fire Fighting Treatise Is Prepared

Howard Bradshaw of Delphi, Ind., at a convention breakfast of the National Association of Insurance Agents told how he and his associates promoted a fire truck largely to fight farm fires. The district served consists of Delphi and three townships. He secured as much information as he could about fighting farm fires from as many sources as possible. There was no system of locating a fire and hence a

map of each farm in the territory was made showing the route to get to the place, the sketches of buildings and information as to water supply.

Mr. Bradshaw will shortly publish a booklet giving full information as to the facts that have been brought out in connection with the work in his vicinity. It will be brought out under the auspices of the Farm Underwriters Association and the rural agents committee of the National Association of Insurance Agents. This booklet will give the enabling acts and contracts between Delphi and townships.

Attention was called by C. W. Schoelzel of Denver, chairman of the

fire prevention committee, to the fact that one of the tragic features of the Firestone fire at Fall River, Mass., was the fact that 1,000 employees were put out of employment.

John M. Francis of the National Board devoted his talk to the model fire prevention ordinance.

National Fire to Move

HARTFORD, CONN.—The National Fire and its affiliates expect to move to the new home office building the latter part of next month. It is now housed at the corner of Pearl and Lewis streets. The new office building is on

Asylum avenue and is one of the most imposing offices of like nature in the city. There are about 450 employees. The mechanics of the moving will constitute one of the most formidable undertakings of this kind that has occurred.

Returns Non-Assessable Bill

BOSTON — The nonassessable fire and casualty policy bills sponsored by the Mutual Fire Insurance Association of New England, which was sent to the governor for his signature, was returned by him for amendments and the senate referred it back to the joint legislative committee on insurance.

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puts more pep into your agency

Are you contented with the results you are getting in your agency today? Or do you feel that certain things are lagging behind? If they are, what you may need is more Vitamin P₂. It's an essential vitamin in any agency. Substantial lack of Vitamin P₂ means hit-or-miss work, hit-or-miss results. Abundance of Vitamin P₂ means effective work and results. It's easy and pleasant to take.

What's this P₂ we're talking about? It's the symbol for "Planned Progress," the sales, advertising and management plan which the Boston Insurance Company and the Old Colony Insurance Company work out with individual agents and help them use more resultfully.

The booklet "Planned Progress" tells the whole story. You know that the only way you can plan a worthwhile insurance program for one of your customers

is to make an insurance survey for him. This book tells how the survey method can be applied to your agency, your advertising, your selling, your prospects, your competition and your opportunities, in a way that will give you, as it has hundreds of agents, more of the Vitamin P₂ you need.

Interested? Get a free copy of the booklet "Planned Progress." Fill in the coupon below and drop it in the mail. You'll be glad you did.

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Please send me a copy of "Planned Progress." I understand that this request places me under no obligation whatsoever.

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NEWS OF FIELD MEN

Montana Field Men Hold Annual Rally— Blue Goose Has Splash

The Montana Fire Underwriters Association, composed of field men representing Pacific Board companies, held its annual meeting at Boulder Hot Springs, Boulder, Mont., and elected these officers: President, L. T. Diring, Home of New York, Great Falls; vice-president, M. S. McLelland, North British & Mercantile, Helena; secretary-treasurer, C. A. MacNeill, Royal-Liverpool, Havre. The retiring president is J. A. Carmichael of Billings, representing Selbach & Deans of San Francisco.

The meeting was well attended and the rolls swelled by the addition of two new members, Ellis Marshall, recently appointed for the Home of New York, and Paul Christensen, recently of Kansas and now special agent for the America Fore with headquarters in Great Falls. C. W. Cook of the Pacific Board, and S. J. Sullivan, assistant secretary, both of Butte, were present and aided in the technical discussion of matters under their supervision.

Appropriately enough, the principal topic of the meeting was the all-important part the insurance business plays in national defense.

Blue Goose Meeting

On Friday the semi-annual gathering of the Blue Goose was held, and K. G. Burrell, Commercial Union, Helena, was initiated. Flight of Paul F. Padou, with the Fire Companies Adjustment Bureau, Billings, from Seattle, was approved, and several new applications filed.

Following the meeting, tea was served for all hands, and the ladies attended the banquet at which there were 45 present, including L. M. McKinley and Hal Daly, formerly of California pond, recently assigned to the Butte office of the Fire Companies Adjustment Bureau.

Ohio Field Group Has Full Turnout at Toledo

TOLEDO—Practically all of the members of the Ohio Association of Fire Underwriters (W. I. B. organization) turned out for the meeting here Tuesday morning, which was scheduled to coincide with the convention of the Ohio Association of Insurance Agents.

Two vice-presidents of the Loyalty group gave talks—Archibald Kemp and Frank Franzen. Mr. Kemp formerly traveled in Ohio and was much at home. Just a few months ago supervision of Ohio in the Loyalty group was transferred from Chicago to Newark.

Carl W. Rockefeller, formerly with Standard of New York, and now with Firemen's was admitted to membership. Bruce Howard of Toledo, special agent for Firemen's, gave a welcoming talk. Fred Guck, Firemen's, Columbus, president, was in charge. Ed Friedmann, Western Sprinkled Risk, Columbus, is secretary. The next meeting will be in Columbus Dec. 2.

Ohio Ganders Feast on Rice Fields of Toledo

TOLEDO—The first meeting of the Ohio Blue Goose to be held under the auspices of the Toledo puddle took place Monday evening, taking advantage of the convention of the Ohio Association of Insurance Agents here. More than 60 turned out for the buffet dinner, meeting and initiation. Fred Wolf, New York Underwriters, Cleveland, officiated as most loyal gander. E. J. Meagher of the Vernon W. Smith Company agency is big toad of the Toledo puddle and Charles Kennedy, Ohio Audit

Bureau, is croaker. The pin feathers were removed with some discomfort from the backs of John Andrews and Kermit Davis of Travelers; Robert Hill and Robert Treichler of Western Adjustment, and Robert Thompson, Buckeye Union.

Swann Is New President of Georgia Field Conference

These officers were elected at the annual meeting of the Georgia Fieldmen's Conference at Albany, Ga.: President, Lewis L. Swann, Fireman's Fund; vice-president, Dana Kilcrease, Fidelity & Guaranty Fire; secretary, Hugh R. Lamar, Fire Association, and treasurer, Bockover Toy, Scottish Union & National, reelected.

Carl Bleim, Hartford Fire, retiring president, was presented a silver platter, suitably engraved. A luncheon followed the business meeting. In the blind bogie golf tournament, H. R. Deal, state agent Globe & Rutgers, finished closest to the score set.

President Swann appointed on the executive committee: Mr. Bleim, N. B. Browne, Jr., Agricultural; George Croft, Phoenix of London; W. E. Stroud, Aetna Fire and Mr. Deal. Chairmen of the other committees are: Grievance, R. H. Smith, Continental; rates, rules and forms, J. O. Hargis, Jr., Pacific National; fire prevention, inspection, C. H. Thompson, North America; memorial, Clarence L. Ruse, Aetna Fire.

H. S. Cobb Back from Army

Henry S. Cobb has now returned to the Illinois field for Fire Association after having been in army service for the past several months. He was one of a group of 200 that was attached to the medical corps at Camp Grant at Rockford, Ill., that was released the other day. Mr. Cobb is more than 28 years of age and hence was released before serving his full year. He finds that the transition from army life to field work is strange but since he has been away from the job only nine months he anticipates that it will not take him long to get back in the routine.

New Hampshire Field Changes

New Hampshire Fire and Granite State Fire announce the removal of Special Agent C. M. Wilcox and the Illinois state agency outside of Cook county from Chicago to Bloomington. This change is made in order that Mr. Wilcox may be located nearer the center of both population and the agency plant supervised by him, and to promote agency service. His headquarters in Bloomington will be 315 North Center street.

Louis J. Hillegass is appointed spe-

In Touch with Agents Despite Military Life

R. C. Hosmer, Jr., who until his entry into military service was state agent of the Excelsior of Syracuse in Ohio, western Pennsylvania and western New York, is keeping in touch in a way with agents by having a bulletin or letter sent to the home office which is mimeographed and mailed out to the agents. He gives his experience in military life. He is with the 62nd coast artillery at Ft. Totten, R. I. He aims to give first hand information of conditions as he sees them and tells about the daily life of men in the service. He has quite a flair for writing and his observations are well received. In fact, Excelsior finds now a demand from other insurance people for these bulletins.

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cial agent for West Virginia, to assist State Agent Frederick E. Hill who will continue to supervise the business in that state. Mr. Hillegass is a native of Philadelphia, but for the past seven years has traveled extensively in West Virginia, and enjoys the friendship of many of the agents in that state. His headquarters will be at 216 Fifth Street, Parkersburg.

Ill. Pond Meets at Peoria Nov. 5

At the monthly luncheon of the Illinois Blue Goose in Chicago on Monday two motion pictures, "The All American Way" and "From Trees to Tribunes," were shown. Most Loyal Gander R. S. Danforth, Millers National, presided.

He announced that the Illinois pond will hold a dinner and entertainment at the Pere Marquette Hotel in Peoria the evening of Nov. 5, the night preceding the annual meeting of the Illinois Association of Insurance Agents.

John J. Such to Ohio Field

John J. Such, who has been at the head office of Automobile in the risk analysis division, has been assigned to the Ohio field and will take up his duties with headquarters in Columbus, Nov. 15. He got well acquainted in Ohio by attending the Toledo convention of the Ohio agents association this week.

Policy Developments Reviewed

W. A. Gibson, Jr., state agent North British & Mercantile, outlined new policy developments in Michigan at the October meeting of the Michigan Fire Underwriters Association in Detroit. R. H. Lange, Hartford Fire, was admitted to membership. President Haage announced that the next meeting will be held Nov. 18 because Nov. 11 is a holiday.

Michigan Inspection Schedule

The Michigan Fire Prevention Association is inspecting Petoskey Oct. 23. Saginaw will be inspected Feb. 18. Other inspections are scheduled for South Haven, Hillsdale, Ionia, Charlotte and one city in the Upper Peninsula.

Blake to Kansas for Springfield

Walter Blake, formerly underwriter with the Chicago office of Springfield Fire & Marine six years, has been appointed special agent in Kansas to assist State Agent Allan F. Wilson. Mr. Blake will cover southeast Kansas from headquarters in Topeka. This gives Springfield four field men in the state.

Ohio Inspection Plans

The Fire Prevention Association of Ohio has divided the state into 40 districts with a supervising chairman in charge of each. A joint inspection will be held at Loudonville and Perrysville Nov. 4. G. E. Woodfield of Cleveland is supervising chairman. Gallipolis will be inspected Nov. 12 and Delaware Nov. 14.

Indiana Initiation Nov. 17

The Indiana Blue Goose will initiate a large class Nov. 17. J. Ray Hull, Union, is most loyal gander, and E. P. Carson, Continental, chairman of the membership committee.

NEWS BRIEFS

Thomas J. Kennedy, state agent Halifax in Texas, has been in Chicago several days conferring with William A. Bartlett, western department manager. He stopped on his return from a visit to the New York office.

The opening fall meeting of the Anthracite Field Club will be held Oct. 28 at the Hotel Casey, Scranton, Pa., at 6:30 p. m. A prominent speaker and a full program are being arranged.

The Sunflower (Wichita) Blue Goose puddle heard an explanation of Red Cross life saving and first aid work by



At the forum on fire and allied lines, N. A. I. A. convention, Kansas City: William E. Hill, secretary Fire Companies Adjustment Bureau; W. M. Sheldon, W. A. Alexander & Co., Chicago; Charles W. Bollinger, Newark, and Leo E. Kietzman, secretary American of Newark.

Mrs. Birdell Roseberry, Sedgwick county executive secretary. The Wichita Blue Goose auxiliary held its monthly luncheon bridge with Mrs. W. H. Bibler, Mrs. C. C. Crow and Mrs. W. S. Gibbons as hostesses.

The Des Moines Ladies of the Blue Goose observed Founders' day at their

October meeting, honoring charter members. Mrs. J. R. Hoff was chairman. The ladies will join with the Iowa pond for the first fall dinner, dance and bridge party Saturday night.

Theodore Karlquist of Sioux City, Ia., state agent of the Royal, is stepping high because of the arrival of an 8½ pound

Ordinary Payroll Cover Proves Boon in Cleveland

Due to the fact that the National Bronze & Aluminum Company of Cleveland, whose plant was destroyed in a fire estimated to have cost at least \$1,500,000, had U. & O. covering ordinary payroll, the companies have been receiving numerous orders for such insurance. The fact that the company had "insured" its employees in this way was publicized in the Cleveland newspapers and dramatic attention was thus drawn to what is known in the insurance world as item 2. The big incentive to insure ordinary payroll these days is to retain the organization during the period of rebuilding. A year or so ago the idea was put forward that the payroll should be insured so that the insured might safeguard his credits under the unemployment compensation plan. Now that is a secondary consideration.

son in his family. He is named Robert Keith Karlquist.

Dr. A. C. Potter addressed the Minnesota Blue Goose on "Preventive Medicine."

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"The GUARANTEE of Uniform Printing and Supply that all Insurance Policies produced for Fire Insurance Companies will comply with all the legal requirements of the States for which they are ordered."

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Asst. Western Manager

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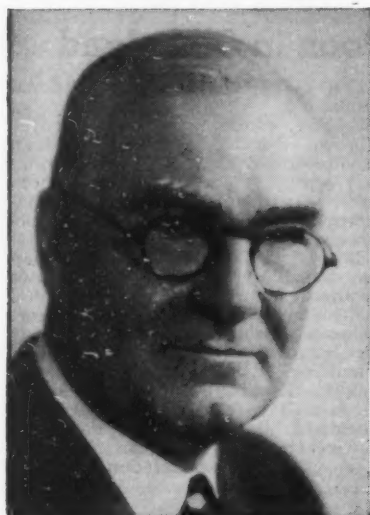
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50 Washington St.
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LIFE MEMBERS SOCIETY MEETING



J. H. MACFARLANE
New President



ROY L. NICHOLSON
Retiring President

At the annual meeting of the Society of Life Members of the Northwest Association in Chicago Tuesday evening of this week, J. H. MacFarlane of Chicago, secretary western department America Fore, was chosen president. Melvin LePitre, Chicago, assistant western manager Fire Association, was made first vice-president; H. B. Doten, manager Monterey Hotel, Janesville, Wis., second vice-president; Gustave Schmeman of Detroit, third vice-president. W. J. Sonnen of Evanston, Ill., continues as secretary and R. F. Woltersdorff, assistant western manager Atlas, is again treasurer.

Roy L. Nicholson of Milwaukee, state agent Michigan F. & M., presided as head of the society in his usual easy and effective manner. Mr. LePitre welcomed both the new active and associate members. The memorial resolution was presented by W. B. Calhoun

of Milwaukee. Telegrams were ordered sent to all sick and disabled members. A picture showing the Tacoma bridge disaster was shown and commented upon by the assistant manager of the Milwaukee Board, R. B. Ebert. R. N. Vetter of Madison performed some interesting feats of magic.

Among the distant members present were W. L. Maillot, Union of Canton; R. C. Hosmer, president Excelsior Fire, and R. L. Tanner, vice-president New York Underwriters, all of New York. There were 104 persons seated at the tables.

W. T. Maxwell, vice-president Hanover Fire, declined to serve longer as president of the moribund Northwest Association. R. A. Buckman, Royal, was elected to fill the vacancy. W. J. Tippery, Aetna Fire, was elected vice-president, and C. E. Ingram, Great American, was reelected secretary.

Education Program for Fire May Be Ready Jan. 1

L. P. McCord, Jacksonville, Fla., accepted by the National Association of Insurance Agents as its pioneer in promotion of educational programs of agency associations, presided at the educational breakfast conference of the N.A.I.A. at Kansas City. Comment was made from the floor that this important subject be given a more convenient place on future programs, but Mr. McCord pointed out that the forty odd present represented a 50 percent increase over the attendance a year ago. A possible lack in numbers was offset by the keen interest shown to the close of the session.

George Scott, educational director of the National association, was asked to report progress made thus far in the National association program of which he is in charge. He said that it would probably be a year before a perfected plan could be submitted for use but that headway is being made in preparation of trial plans to be tested for experience purposes and that, likely, by Jan. 1, such provision can be made available on fire and allied lines.

All present plans will be considered and all states but 12 have already undertaken some form of educational program. The educational programs already successfully operated by a number of other industries will also be studied. As at present contemplated credits will be based on certain required hours of attendance upon class sessions. Certificates will be awarded. Work already done in schools con-

ducted up to the present time will not be accorded credit in the National association plan.

This last point started a discussion and Schuyler Dauwalter, assistant manager National Board, suggested this might be met by letting those who wished to do so take an examination approved and provided by the National association committee. Mr. Scott said this had not been contemplated but was an idea worthy of careful consideration.

Good contributions to this group meeting discussion were made among others by H. E. Reynolds, Duluth; H. I. Callis, Santa Barbara, Cal.; H. J. Weltmer, Jr., Hiawatha, Kan.; with a summing up by Wade Fetzer, Jr., Chicago.

National F. & M. Fined \$2,500

NEW YORK—Convicted of improper underwriting practices National Fire & Marine of New Jersey has been fined \$2,500 by the New York insurance department, in addition to which all licenses held by A. H. Stappert, supervisor of the company's metropolitan department, in which capacity he was acting in the transactions involved, have been revoked, and the license of Irving Weinstein, manager of the company's Brooklyn branch office suspended for three months.

The practices complained of involved improper use of 100 percent coinsurance endorsements on 76 policies and also the rate charged under a separate \$100,000 policy, according to the insurance department. Improper use of the coinsurance endorsements was due to an arrangement entered into between Weinstein and Stappert and resulted in

false entries on the books of the company with respect to return premiums.

While the officers of the company disclaimed knowledge of the existence of this arrangement, Stappert, who handled the matter for and on behalf of the company, was one of its key men, the department said. He had been given practically complete control of his department and it was concluded that the company could not avoid responsibility for his acts.

Commercial Union Names H. W. Miller

NEW YORK—H. W. Miller was elected vice-president and a director of the Commercial Union Fire of New York on Monday. Starting his business career with the Commercial Union group in 1914 he was appointed special agent for central New York five years later. In 1935 he was recalled to headquarters to take charge of the automobile division, being elected secretary at the time.

Further advancement was accorded Mr. Miller in 1938 through his appointment as assistant United States manager of Commercial Union of London, with supervision over the eastern department.

W. H. Bennett Speaks to St. Louis Agents

ST. LOUIS—W. H. Bennett, general counsel for the National Association of Insurance Agents, in his address before some 150 members of the St. Louis Board, touched on the oft repeated suggestion in company quarters that the first step toward lower rates is a reduction in acquisition costs. He said that the agents through their National association have for years taken the position they are ready and willing to contribute something in the way of a reduction in expenses provided the companies will make a similar contribution from their side of the fence, but he added the companies have never done anything about it.

Commenting on a recent editorial in the Washington "Post" on "Federalized Insurance" he brought out that this seemed to indicate that the federal government contemplates extending its social security program to include disability benefits, which, he said, might include workmen's compensation coverage. He said that if the federal government has that in mind the insurance agents of the country better be doing some serious thinking about this proposal.



Should an assured's home be damaged by fire, the fact that the fire started in the house next door is little consolation. No matter how careful he may be—no matter how many sensible precautions he may take—all his forethought may be nullified by a careless neighbor.

Adequate fire insurance on his home and contents, there-

fore, is a modern necessity. It is not merely a safeguard against disaster in his own home or business—it is a protection against the negligence or carelessness of others.

Phoenix-London agents use this thought to good advantage in impressing assureds and prospects with the need for complete fire insurance protection.

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Municipal Cover, Regionals Treated by State Officers

KANSAS CITY—A manual on "Municipal Fire Insurance" has just been completed by California agents as the result of a survey of insurance needs in 400 California cities. W. H. Menn, past president of the National Association of Insurance Agents, outlined its contents at a meeting of state association officers at the convention of the National Association of Insurance Agents.

This proved to be one of the most closely followed sessions of the convention. Sidney O. Smith, retiring chairman of the executive committee, presided, and more than 100 attended.

Stanley Stults, Hightstown, N. J., chairman of the National association's finance committee, presented his report. Arthur A. Hirman, Rochester, past president Minnesota Association of Insurance Agents, explained the successful regional association system in that state, and A. B. Millard, Grand Rapids, Mich., gave high points from his report as chairman of the National association's accident prevention committee.

Meeting Municipalities' Problem

About two years ago, Mr. Menn said, the insurance business was severely criticized by municipalities because of its failure to handle municipal insurance properly. Agents in California began working on the problem, with the thought that if a plan for properly meeting this situation could be worked out there, then findings and ideas could be passed on to the other agents in the National association. The manual, published Oct. 3, is the result of the effort in California. George Fairleigh of the National association said a supply of the manuals will be printed and made available on the basis of requests from agents.

California agents worked with city attorneys on the survey, Mr. Menn said. The 400 municipalities covered, the survey revealed, have been producing only \$65,000 in premiums. This is exclusive of school business, which are not included in the manual. Had they been, he said, municipalities might well have insisted on more in the way of favors than their \$65,000 in premiums entitled them to.

Includes Much Information

Agents showed city attorneys how insurance operates, how rates are based on facts; on type of construction, water supply, and so on. From the manual agents can determine how to approach the problem in his particular locality.

The manual explains the methods of insuring building and contents as to values and as to location; self-insurance, coinsurance, etc.; how to determine values, types and terms of covers, and so on.

Mr. Menn said that one of the chief difficulties in successfully writing this business is to fix, at the outset, responsibility for handling the insurance program with some one city official or department. Otherwise it is almost impossible to get anywhere.

20 Percent Saving

The survey showed that on the average, a municipality in California, and probably any city in the country, can realize an 18 to 20 percent saving in premiums if credits are properly determined and secured. Existence of this waste Mr. Menn laid to carelessness of agents in handling such business, but pointed out that part of the responsibility for that carelessness is due to the cities' attitude toward such business.

In other important chapters the manual tells how to rate and grade carriers, discusses the importance of the city keeping adequate records on insurance and on fire losses. These records, he said, are not now being kept and because memory of even serious fires is short, city officials have the feeling that

their loss experience is good and they don't need this or that coverage, or shouldn't pay so much for it.

The survey in California resulted in a special municipality rate about 25 percent lower than formerly. It revealed, of course, the need for substantial additional coverage.

Regionals' Success

Regional associations that have grown up in Minnesota in the past 10 years have solved the problem of membership for the state group, Mr. Hirman said. They cover an area containing two or three trade territories. Each territory has as a nucleus a city of 5,000 to 20,000. The results have been remarkable. While the membership in the large local boards at St. Paul, Minneapolis and Duluth have remained constant, the remainder of the state has increased in state association membership from 135 five years ago, when there were two regionals, to 432 today when the state has half a dozen more. The state group's "dropped

members" have decreased from 12½ percent to 2½ percent a year.

The growth has come from "rural," or "outstate" areas, towns of from 500 to 20,000. In one large area five years ago there were three members, now there are 57; in another the number was 10, now is 46, and so on.

Smaller Agents Participate

The reason for this, Mr. Hirman said, is that the regional association gives the agent in the smaller town the same opportunity as the one in the larger city to participate in meetings. Membership in these regionals is almost wholly non-competitive. In addition, agents in the smaller towns can now control agency appointments. One of the long standing criticisms of the state association has been that it doesn't provide this opportunity to this type of agent.

The regionals also provide a year around educational program. Five of the regionals meet once a month, one every two months, and two occasionally. The main subject on the programs is limited to 30 minutes, then five minutes each are devoted to manual changes, recent developments, and important court decisions. A question and answer session follows in which all participate.

Regionals are self-supporting. A

district chairman, named by the state group, is located in each regional area, and he collects dues, helps on membership, etc.

Risk Research Group Elects

NEW YORK—All officers of Risk Research Institute, insurance buyers' organization, were reelected at the annual meeting here with the exception of John G. Goetz, managing director, who resigned. Mr. Goetz' work will be carried on by the executive committee. The association will continue its headquarters at 50 Church street.

Officers are Ralph H. Bell, United Parcel Service, president; R. D. Guernsey, Fredrick Loeser & Co., first vice-president; E. M. Halkyard, Combustion Engineering Company, second vice-president; George E. Rogers, Robert Gair Company, secretary; and W. H. Palmer, Lowe Paper Company, treasurer. Mr. Palmer previously held the office of secretary and treasurer, but these duties are being divided.

Two of the directors whose terms expired, Mr. Palmer and Mr. Guernsey, were reelected. The other four vacancies were filled by A. M. Schmidt, Johns-Manville Corporation; K. C. Bell, Chase National Bank; Mr. Rogers; and John G. Crews, East River Savings Bank.

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The Employers' Group...



Forshay and North Two Chief Officers

(CONTINUED FROM PAGE 4)

Mo., another popular man on the executive committee and one who is highly regarded. No attempt had been made to establish a campaign for him until the nominating committee met. W. J. Welsh of Kansas City put Mr. Garlich in nomination, and an attempt was made even at that time to organize a rally for him, but it was too late and Mr. North won by about two to one.

Mr. Forshay's Career

Mr. Forshay comes from Anita, Ia., a town of 1,100 population. He was born there 38 years ago. He thus represents rural agents. In fact, he has been largely responsible for the promotion of the rural agents work in the National and state associations. He was chairman of the rural agents committee until he was elected vice-president. He attended the University of Iowa but was obliged to return home in 1922 when he entered the agency of his father, B. D. Forshay. His association interests began the moment he started in insurance work. He served on the executive committee of the Iowa association and was president in 1935-36. He was Iowa national councillor until he was elected vice-



Mrs. R. W. Forshay, wife of the new N. A. I. A. president, and their daughter, Alanna, at the Kansas City convention.

president. He and Mrs. Forshay have contributed much to the social activities of National conventions.

The election of Mr. North to the vice-presidency will ultimately bring another North to the presidency. Mr. North's grandfather, the late John C. North of New Haven, Conn., was elected in 1903 as president and served one year. He was one of the New England leaders and was very prominent in association work. Mr. North's brother, John A. North, is secretary of the Phoenix of Hartford group. David A. North is president and treasurer of North's Insurance Agency. Until some months ago the agency also had as a partner, Donald G. North, who is an uncle of David A. It is general agent of Hartford Accident and National Surety.

Mr. North's Career

Mr. North was born in New Haven, Sept. 1, 1903. Aside from his grandfather, who was prominent in insurance organizations in his day, his father, John R. North, was president of the Connecticut Association of Insurance Agents in 1920, and died while attending the National association convention in Richmond that year. John C. North, his grandfather, was president of the National association the year that David was born. David North is a Yale man. He began his insurance career with the Hartford Fire at its head office in Hartford and later was transferred to its New York quarters. North's Insurance Agency, of which he is president, was

founded by his grandfather in 1843. David North is the fourth generation in the agency.

He served three years on the executive committee of the National association and for the past two years was chairman of the membership committee. It was during this period that the membership of the National body rose to its present all-time high mark.

Mr. North was president of the New Haven Board in 1939 and at present is vice-president of the Connecticut Association of Insurance Agents. He has been chairman of the accident prevention committee of the National association. Mrs. North accompanies him to meetings of the National association and is one of the most popular women in attendance.

New Englander Recognized

Six months ago Mr. North seemed determined that he would not accept the vice-presidency but he so adjusted his office that he could take the position without a greater personal sacrifice than is necessary. He thus brings to the official ranks a New Englander. His grandfather was the first agent from New England that was president of the National association. E. W. Beardsley of Hartford was elected president in 1908. James L. Case of Norwich, Conn., was elected in 1922 and served two terms. E. J. Cole of Fall River, Mass., was elected in 1934. There were no New Englanders at the organization meeting but when the association got in full swing they were much interested. Henry H. Putnam was elected secretary and the headquarters were at Boston.

Sidney O. Smith of Gainesville, Ga., retires as chairman of the executive committee and according to the constitution Payne H. Midyette of Tallahassee, Fla., the retiring president, becomes chairman. Mr. Smith has been twice chairman of the governing committee. Before the revised constitution and by-laws were changed there was no vice-president. The chairman of the executive committee was the man started up. Then the vice-presidency was created and Mr. Midyette was the first vice-president elected. W. H. Menn was president and had been chairman of the executive committee. He served then as chairman of the executive committee when Mr. Smith was president. With the present administration the new procedure is therefore in full force and effect. The man starting up is elected to the vice-presidency. He then by unwritten law becomes president and then by rule chairman of the executive committee.

Cup Winners Recognized

Awarding of the various cups is always a high point for the winners, and when they were presented at Kansas City during the last session agents followed the proceedings closely. Because the Detroit cup now is out of competition, California having won it permanently, California is providing a mileage cup. President Harry Perk, Jr., of Los Angeles, announced the new award and presented it to Hunter Brown, president of the Florida association, the first winner.

Rhode Island, with a 40 percent increase in membership, won the president's membership cup. Carleton I. Fisher, Providence, accepted.

The Des Moines attendance cup, coveted this year by the Iowa association because of the presidency of Mr. Forshay, an Iowan, was won by the Kansas association with an attendance of 84. Victor G. Henry, Wichita, president, accepted.

Texas won the Sparlin cup, which goes each year to the association rendering the most signal service to the American agency system. In presenting the cup to Eric C. Gambrell, Dallas, president of the Texas group, President Midyette pointed out that the award



Two state executive secretaries confer at N. A. I. A. meet in Kansas City: Frank C. Colridge, California association, Oakland, and A. C. Eifler, Florida association, Tampa.

this year was based on no one thing, but on a lot of good work that the Texas association has done.

The Woodworth memorial cup, awarded to the member who has performed the most outstanding work for insurance during the year, went to Roy A. Duffus, Rochester, N. Y.

Morgenthau Addresses Agents

For the first time a cabinet officer addressed the national association when Henry S. Morgenthau, secretary of the treasury, spoke to agents at the Thursday afternoon session from his office in Washington. He talked over the telephone and the message was relayed by loudspeakers in the auditorium. The 15 minute program, which included an introduction by the announcer, presentation by President Midyette of a resolution pledging agents actively to support defense bond sales through the payroll deduction plan, and a vote on the resolution was recorded and rebroadcast over CBS station KMBC that evening. A copy of the record was forwarded to Mr. Morgenthau.

The only other resolution was one calling on the National association to translate the "V-Plan" into practical reality. This was presented by W. Ray Thomas, president Pennsylvania association and chairman of the resolutions committee.

Registration Is Heavy

Final figures showed that registration reached 1,865, one of the largest. More than 2,500 attended the "Night on the Santa Fe Trail," an entertainment feature at which local companies were hosts.

Congressman Joe Starnes of Alabama could not attend because of the pressure of business in Washington.

The sound film which Aetna Casualty

prepared during the convention was shown at the final session. The introduction showed insurance leaders, whose parts were played by actors, forming the National association. The film then picked up speakers at the Kansas City meeting, and included some shots of registration, etc. It made quite a hit.

Closing Ceremonies Impressive

E. T. DeJarnette, Richmond, Va., was chairman of the nominating committee and read the report.

Mr. Forshay's father, B. D. Forshay, escorted him to the platform for the induction ceremonies, conducted by Past President C. F. Liscomb, Duluth. In asking him to do so Mr. Liscomb pointed out that Mr. Forshay, Sr., made it possible for his son to accept National association office by carrying on the agency in his absence.

Mrs. Forshay was escorted by the entire Iowa delegation, led by President L. E. Morse, Council Bluffs, Secretary J. S. Cutter, Shenandoah, and National Councillor B. C. Hopkins, Des Moines. E. J. Cole, Fall River, Mass., past national president, and W. H. Coble, Bend, Ore., escorted Mr. North.

H. W. Hatch, New Britain, Conn., chairman New England Advisory Board, and F. R. A. McGlynn, Worcester, Mass., president Massachusetts association, escorted Mrs. North.

R. L. Ellis, Atlanta, president Georgia Association, escorted Sidney Smith to the platform. Mrs. Smith was not at the convention, but H. C. Arnall, Newnan, Ga., escorted Miss Caroline Smith, his daughter.

In the absence of Commissioner Scheuffer, H. M. Gambrell, Kansas City agent and police commissioner, administered the oath of office to the new officers.

O. M. Stallings, Tampa, Fla., and

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FIRE, MARINE, CASUALTY or SURETY LINES

T. G. Redden, Greensboro, N. Car., escorted Mrs. Midyette to the platform where Mr. Liscomb presented her with a silver service. For the final festivities Mr. Forshay's 11-year-old daughter Alanna was brought to the platform beside her mother.

The final vote of thanks to the Kansas City and Missouri associations was moved by E. H. Forry, Indianapolis, who was present at the last Kansas City convention in 1925. In accordance with time honored custom W. B. Calhoun closed the convention by leading "Auld Lang Syne."

The last three door prizes were won by Missouri men, E. W. Foley, Weston; J. B. Wallace, Kansas City, and R. H. Cottrell, Kansas City.

Host at **Globe Indemnity's** headquarters was Vice-president W. H. Galentine. He was assisted by W. H. Atkins, executive representative, and K. O. Saunders, resident vice-president at Chicago, and George W. Clark, resident manager at Indianapolis.

E. S. Ingalls, vice-president, and Ralph Chapman, secretary, welcomed friends at the **Corroon & Reynolds** open house. J. W. Knox, Cook county manager, was on hand from Chicago, and several field men aided: Darrio Carbone, St. Louis; R. D. Wilcox, Denver; J. C. Swisher, Kansas City, and J. A. Moser, Des Moines.



At Kansas City N. A. I. A. rally: Frank T. Priest, Wichita, Kan., Alvin S. Keys, Springfield, Illinois assistant director of public safety, and John O'Toole, president St. Louis Board.

store, \$500,000; Fairfield, Cal., 15 farm buildings, \$100,000; Modesto, Cal., market building, \$100,000; Porto Costa, Cal., docks, fish plant, old whaler, tow boat, stored fish oil, government wheat, barge, 10 railroad cars and stock warehouse, \$1,000,000.

FORM AGENTS-BROKERS EXCHANGE

The Agents & Brokers Exchange has been formed in New York City to provide producers over the country with aid in placing difficult, unusual, or extra large fire, marine, casualty or surety lines.

Spencer M. Schryver, manager of the new organization, has had extended experience both in underwriting and production. The exchange will offer service in handling risks of unusual character.

Selling by Telephone

A new book, very valuable to salesmen, is issued by Telasell Associates of New York City entitled "How to Sell by Telephone." The author is Earl Prevette, who gives the method and plan by which he sold \$10,000,000 of life insurance. It is a practical book and while it may be devoted primarily to life insurance it can be used in selling any other line. The cost is \$2 and it is sold by THE NATIONAL UNDERWRITER.

NEW YORK

INSURANCE DEPARTMENT MOVES

Charles F. Noyes Company, Inc., has leased to the state of New York for the use of the department of insurance the entire 14th floor and part of the 15th floor, comprising more than 18,000 square feet, in the office building at 61 Broadway, New York City. The owner of the property is the Broadway-Exchange Corporation controlled by the estate of August Heckscher.

The entire personnel of the New York City unit of the insurance department, numbering about 200, housed for the last 10 years in the state office building at 80 Centre street, is to be transferred to the new location about Nov. 15. Alterations are now being made on the new space.

Present quarters of the insurance department are being vacated to provide accommodations for the new safety financial responsibility division of the Motor Vehicle Bureau.

AGREE TO WAIVER

Virtually all companies and general agents have assented in writing to the request of the Insurance Brokers Association of New York that waiver of the fall of building provision in the standard fire contract, adopted by the New York Fire Insurance Exchange Oct. 8, be extended to all policies now in force in the state. Waiver of the clause is granted in a number of states, although a slight added premium is charged for the concession. In Minnesota, however, use of the clause is prohibited in the standard policy.

REPORTS ON UNPAID EARNED

Unpaid earned premiums of fire companies amounted to \$13,010 in May of 1941, which was a decrease of \$3,124 from May of 1940, the Central Bureau of New York reports. Unpaid earned premiums of casualty companies amounted to \$82,299, an increase of \$25,333 from May of 1940.

BIG FIRES IN SEPTEMBER

The New York "Journal of Commerce" lists these fires that occurred in September that are estimated to have caused damage of \$100,000 or more:

Bristol, Conn., hotel, Root building and stores, \$250,000; Meriden, Conn., church and memorial building, \$250,000; New London, Conn., railroad freight terminal, wharf, six carloads of coal, carload of window frames and power boat, \$150,000; Dover-Foxcroft, Me., woolen storage shed, \$100,000; Charlestown, Mass., wholesale grocery warehouses, railroad

property, etc., \$1,300,000; Lawrence, Mass., office building, \$100,000; Longbranch, N. J., hotel, \$150,000; Saranac Lake, N. Y., summer home and 10 connecting buildings, \$100,000; Connellsville, Pa., warehouse and garage, \$150,000; Montrose, Pa., two dairy barns, \$100,000. Also, Fayetteville, N. C., freight station, \$150,000; Kingston, N. C., tobacco firm, \$125,000; Norfolk, Va., grain elevator and pier, \$150,000; Chicago, freight warehouse, trucks and trailers, \$250,000; Greensburg, Ky., tobacco warehouse, \$130,000; Shelbyville, Ky., tobacco processing plant, \$150,000; Minneapolis, business building, \$100,000; Cleveland, lumber factory, \$100,000; Cleveland, foundry, \$1,500,000; Sioux Falls, S. D., lumberyard, \$300,000; Memphis, Tenn., flooring plant, \$300,000; Nashville, Woolworth



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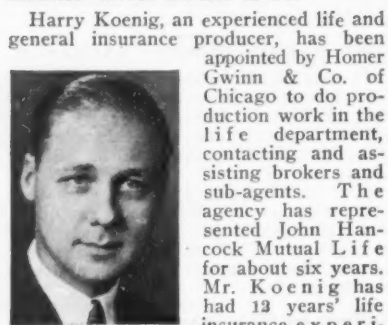
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Harry Koenig

Harry Koenig, an experienced life and general insurance producer, has been appointed by Homer Gwinn & Co. of Chicago to do production work in the life department, contacting and assisting brokers and sub-agents. The agency has represented John Hancock Mutual Life for about six years. Mr. Koenig has had 13 years' life insurance experience, all with the Prudential as an industrial life salesman connected with the Chicago No. 1 district under Superintendent C. W. Atchison. He concentrated more on ordinary life production and is experienced in arranging estate programs, life insurance for tax purposes, etc. Mr. Koenig also will develop miscellaneous insurance lines.

Before entering the life insurance business, Mr. Koenig was a professional organist and pianist, having played for a number of years for a chain of movie theaters. He studied the organ with the late Dr. J. Lewis Browne, and also took a theater organ course in the American Conservatory of Music.

CHANGE OPENING DATE TO DEC. 15

The housewarming of the Cook county branch office of Hartford Fire and Citizens in the Insurance Exchange, Chicago, has been postponed to Dec. 15 so that Hartford officials will be able to attend. The opening will be informal and a buffet lunch will be served, with Manager C. C. Hatcher, Jr., and his staff as hosts.

A new business contest to wind up Dec. 15 is being conducted, with a large board in the branch on which "house-warmer" stickers received with new orders from agents and brokers are to be pasted. The drive is for fire, marine and comprehensive automobile coverages.

"MEET THE FOLKS"

A novel "Meet the Folks" bulletin has been sent out by E. H. Follingstad, Cook county manager Fidelity & Guaranty Fire, Chicago. An actual photograph at the top shows the entire office staff at their desks identified by their names. "With this picture in front of you, when you write or telephone, you can see, write or talk to them practically face to face; and when you come in you will recognize them at once," the bulletin reads.

The announcement was put out because of recent expansion in the organization. Included in the picture are E. R. Hobbs, special agent, who recently went to Chicago after 10 years at the home office; O. L. Butler, engineer; Roy E. Urbauer, marine representative, who succeeds E. C. Donnelly, who was recently transferred to the southern territory; C. D. Hoe, assistant manager; A. G. Carlson, underwriter and assistant to Mr. Hoe; A. G. Sprawka, rater; Miss Linnea Carlson, Mr. Follingstad's secretary, who handles inland marine, and R. O. Thamerus, inland marine order desk.

H. V. SMITH'S PERSONAL INTEREST

Western Underwriters Association and other organizations in the central west are highly pleased with the fact that President H. V. Smith of the Home of New York group is giving much personal attention to the central area. Heretofore Wilfred Kurth, chairman of the board, who had had long experience in supervising the west, was the executive at the head office who looked after W.U.A. territory. Since Mr. Kurth's retirement, Mr. Smith has taken pains to come in personal contact with officials and agents

and is making his influence felt in that section. He is a member of the governing committee of the Western Underwriters Association.

WESTERN LOSS MEETING

At the first fall meeting of the Western Loss Association, composed of loss superintendents of the western departments in Chicago, a nominating committee was named to prepare a slate for the election which will be held at the meeting Nov. 11. Roy Nortman, Pacific National, is chairman, and Harry Ferrers, Springfield Fire & Marine, a member. An auditing committee was appointed consisting of Elmer Nordgren, Fireman's Fund, and Paul Olsen, Automobile, Conn. Eston H. Ellis, Royal, is president of the organization.

VINCENT & CO. HAS OPENING

W. W. Vincent & Co., Chicago agency, held open house in its new quarters in the Board of Trade building. Mr. Vincent and his assistants did the honors and refreshments were served. The office, one-third larger than the old one, is handsomely appointed, with venetian blinds, files built into the counter, and record files disposed in an accessible position but out of sight. Many brokers, agents and company men took the opportunity to view the new office and pay their respects.

CAMPBELL ADDRESSES EXAMINERS

The effect on business of priorities, the situation of the small business man and other matters bearing on causes and effects of present and future conditions on fire insurance underwriting were treated by Don Campbell, credit manager of America Fore, at a dinner attended by 50 members of the Association of Fire Insurance Examiners of Chicago.

Mr. Campbell referred particularly to spotty conditions caused by defense production efforts producing a condition of quasi-depression. In comparing world war I with the present situation, he placed emphasis on the different conditions affecting business at the present time as against that period. In Mr. Campbell's opinion underwriters should be prepared for early sporadic depression as against an all-out depression at the close of defense production.

At the meeting, Vice-president Harry Brose, America Fore, took over the presidency of the association in the place of A. H. Adland of Hartford Fire, who has resigned to enter the field if the army will let him. Charles LaBow, London & Lancashire, became vice-president, but still retains his job as recording secretary and Harry Stiles, Great American, became acting secretary to serve when Mr. LaBow is presiding.

WILL NAME NEW OFFICIAL

Since H. W. Chesley has retired as assistant secretary of the Western Underwriters Association in Chicago, it will be necessary to make a change in his assistant secretaryship of the Western Hail Association. He did the detail work. E. G. Frazier, secretary in the western department of the Springfield F. & M., is secretary. The annual meeting will be held Dec. 1, when the question of assistant secretary will be decided.

At the Oct. 28 meeting of the South Chicago Club, Harry K. Rogers, Western Actuarial Bureau, will speak.

80-20 Collision Form Is Gaining in Favor

Companies writing convertible collision cover have been given to understand that it does not meet with the approval of the Illinois department. Such a policy was outlawed in Michigan recently. The Illinois department feels that the so-called 80-20 policy is

proper and it may be the bigger companies will issue such a contract. The same principle is used by aviation underwriters in handling crash insurance, whereunder the assured stands part of every loss.

Richardson Agency Celebrates

TOLEDO — The Judd Richardson Company agency is celebrating its 75th anniversary this year. The agency was established in 1866 by R. A. Richardson. His son Judd entered the business with his father in 1883 and is still active. Dorman Richardson, son of Judd Richardson, has been with the agency for 23 years.

The Glens Falls has been in the Richardson office for 70 years.

COMPANIES

North America Pays Employees Emergency Bonus

Approximately 3,000 full time employees of the North America companies have been granted extra "emergency allowances" amounting to 5 percent of their monthly salaries, effective as of Oct. 1.

John A. Diemand, president, explained that the allowances were voted by the directors as a "voluntary emergency measure," with the hope expressed by the management "that it may be possible to continue them during the period of increased living costs."

"The management has observed, with growing concern," said Mr. Diemand, "the increase in the costs of living as reflected in the prices of food, clothing, and various other necessities. It has come to the conclusion that the company should take steps to relieve, in a measure, the added burden on the employees by making additional payments to those most affected by the increased costs."

St. Paul F. & M. Pays Extra Dividend and Bonus

In addition to its regular quarterly dividend of \$2, St. Paul Fire & Marine has paid a "special" dividend of the same amount. The management emphasizes that it is a "special dividend in every sense of the word. There is absolutely no guarantee or thought as to the payment of any such dividend in the future."

At the same time President C. F. Codere announced that all employees of the group for six months or more and in good standing on Nov. 1 would receive a bonus of a month's salary.

American's Assessment Cut

NEWARK, — A reduction of \$459,300 has been granted American of Newark on its 17-story office building here, by the Essex county tax board.

Question of Applicability of 5% Outbuilding Cover

An interesting question that is provoked by a recent loss is the application of the provision extending 5 percent of the dwelling policy to cover on out buildings. In this particular case there was a \$10,000 policy, and \$500 was paid for loss to garage. The building was replaced and the new structure burned. The insurer denied liability, on the ground that the 5 percent cover had been exhausted in the first loss. Another possible interpretation is that after the first loss, the policy was reduced to \$9,500, and 5 percent of that amount or \$475 would still be applicable to out buildings.

Ohio Preventionists to Meet

The 40 district supervising chairmen of the Ohio Fire Prevention Association will hold a meeting in Columbus, Nov. 5. The speaker will be R. E.

Czar of Joys and Glooms Has Lifetime Position



WILLIAM A. CHAPMAN

W. A. Chapman of Evanston, Ill., retired western manager of the Fireman's Fund, was elected czar of the Joys & Glooms for life at the annual dinner held in Chicago Monday evening. He succeeds the late A. R. Monroe of Indianapolis, who was the head of the order for many years. R. G. McCullough of Chicago, former Indiana state agent of the Fireman's Fund, was made spiritual adviser to the czar. C. M. Cartwright, THE NATIONAL UNDERWRITER, was elected lord high commissioner; Alex Smullan, Chicago agent, chief equerry to the czar; William Tecumseh Benallack, Detroit, Michigan F. & M., poet laureate, and W. J. Sonnen, Evanston, Ill., scribe.

Two Surviving Original Joys

There are only two survivors of the original "Joys" that sprang from the old western department of the Connecticut Fire, they being Mr. Chapman and Mr. McCullough. It was decided, therefore, to elevate eight glooms to the rank of "Joy," they being Mr. Smullan, Guy A. Richards, Chicago agent; W. S. Crawford, insurance editor, "New York Journal of Commerce"; C. M. Cartwright, Mr. Benallack, W. B. Calhoun, Milwaukee agent; J. J. Ferguson, assistant western manager Fireman's Fund, and D. D. Fitzgerald, Indiana state agent Commercial Union. That left four "Glooms," they being A. F. Powrie, western manager Fire Association; W. J. Sonnen of Evanston, former superintendent Chicago department St. Paul F. & M.; C. M. Hayden, vice-president of the Glens Falls in charge of the Chicago department; E. T. Tanner, Rockford, Ill., Security of New Haven. Therefore, in order to make 10 "Joys" and 10 "Glooms," six new "Glooms" were elected, they being Clarke J. Munn, Chicago, manager Cook County Adjustment Bureau; H. J. Burrage, THE NATIONAL UNDERWRITER; A. W. Jenkinson, Chicago manager Northern Assurance; E. G. Frazier, secretary western department Springfield F. & M.; J. H. Macfarlane, Chicago, secretary America Fore, and S. H. Quackenbush, Freeport, Ill., assistant manager Crum & Forster. Mr. Frazier and Mr. Quackenbush were unable to be present but the other four new members were properly initiated.

Memorials were presented for Mr. Monroe by Mr. Benallack chiefly in verse; for W. E. McCullough of Denver, who for many years was scribe, and F. E. Spoerer, Chicago, one of the original "Joys" by Mr. McCullough.

Vernor of the Western Actuarial Bureau, Chicago. The Ohio Fire Underwriters Association will meet the same day, the meetings having been postponed one day because of the election.

Floater Approved in Rhode Island

(CONTINUED FROM PAGE 4)

cational chairman, who presided at the afternoon session. Riot and sabotage coverage were explained by Mr. Cordes.

After some discussion of Mr. Cordes' address, President Davis introduced David A. North, newly elected National association vice-president, and paid a tribute to Mr. North's success as an effective membership committee head. Mr. Fisher presented William J. Purcell, assistant secretary National Surety, who outlined the reasons for purchasing forger insurance.

Mr. Bowersock, in discussing Commissioner Morin's ruling, said it was obvious the personal property floater could be written only on the highest type of risk because a careless or criminal buyer is uninsurable. He predicted the Rhode Island rate may be based on the lowest loading classification because of favorable experience in the state on burglary insurance.

Insurance granted under the personal property floater, as its name implies, follows the goods. Forms used provide for indicating the nature of the goods to be insured and its value, and coverage is granted to 80 percent of the total in scheduled items, he said.

Explains Floater Coverage

There is a limit on the amount of coverage on goods situated throughout the year away from the principal residence. It is 10 percent of the blanket coverage of the policy. Where greater values are to be protected at locations other than the principal residence it must be done by special endorsement, for which an additional premium is charged.

The \$50 limit on money may be increased as high as \$250 more for an additional premium. Property of guests while on the premises of the assured or his servants' property is covered up to 10 percent of the blanket coverage provided the property is on the premises of the assured or with the servant while on the business of the assured. The personal property floater does not cover instruments of professional men like doctors and dentists. It is essential to watch the individual insurance needs of each prospect to assure satisfactory protection.

Other Insurance Provision

A most important provision is that other insurance on the same property covering the same perils must be listed as part of the contract. Credit can be given for existing coverage of the perils up to expiration date of these coverages, the floater policy picking up these coverages at the expiration dates.

Mr. Bowersock said the personal property floater rates could be kept down in the future if the deductible endorsement is used. About 60 percent of the number of losses would be eliminated by a deduction clause of \$25. Use of the deductible plan also would help to prevent building up claim mindedness, and it often would save a sale for the agent when cost runs higher on full coverage than an assured will pay. When the assured has large jewelry values, the jewelry should be listed with value on the form.

Mr. Bowersock said some agents had staggered cost for their clients by writing one-third of the value of a one-year contract, one-third on a two-year contract and one-third on a three-year contract. Thereafter the contracts may all be written as they expire for three-year terms.

Commissioner Morin Speaks

Commissioner Morin spoke at the banquet, which was attended by 200, stating his approval of the personal property floater followed a conviction that this would benefit the people of the state. He asked why people in Rhode Island should be deprived of a coverage available for a long time in two-thirds of the country. Governor Howard McGrath was present and the commissioner said he hoped soon to have an interview with the chief executive which would remove doubts about who would fill the commissioner's office in the future.

utive which would remove doubts about who would fill the commissioner's office in the future.

Governor McGrath, in a Delphic oracle pronouncement, said he knew of only two reasons why Commissioner Morin should not be present at next year's meeting—suspension or nonpayment of dues. His audience accepted that as assurance that Mr. Morin would be continued in office.

The governor praised Mr. Morin for his decision permitting writing of the personal property floater and particularly for taking the initiative in leading New England states in this action. Governor McGrath always has been in the insurance business and is still a member of the Rhode Island association.

The 75th anniversary of the National Board and its services to insurance and the country was the subject of T. A. Fleming, supervisor of its fire prevention division. Fire prevention, fire protection and fire safe electrical engineering all have received initial and continued support of the board. Employees of the board are always on hand for service in any community which has suffered flood, fire, wind or any other form of disaster. War services described by Mr. Fleming include fire safety guidance to all branches of the federal service. Sixty percent of the civilian defense of this country from incendiary bombs would fall on the cities' fire departments. Mr. Fleming said the Underwriters Laboratories had been examining substances designed to extinguish magnesium bomb fires. He concluded by urging all to take part in some form of civilian defense activity, fire, police, medical, transportation and utility.

The new president, Walter R. Johnson, praised his predecessor, Henry E. Davis, and introduced the other newly elected officers.

Stone Takes Up Responsibilities

Edward C. Stone, United States manager of Employers Liability, spoke on the responsibilities of the insurance business in this national emergency. Elimination of worry, substitution of certainty for uncertainty, the purpose of insurance to free the energies of men for constructive achievement in their own fields of endeavor. That, said Mr. Stone, is a first responsibility of the insurance business when men need every encouragement to devote themselves fully to the program of preparedness. That responsibility can be discharged only by insurance men who know their coverages and can explain them clearly to the people.

A second responsibility of the insurance business Mr. Stone said, is to promote accident prevention of every kind, both in and out of the factories. Prevention of automobile accidents is more important than ever when these accidents take producers away from national defense production.

Peak national income presents a great opportunity for increased production of business. Mr. Stone urged that in the time of plenty, preparation for the recession be made by the insurance agent. This can be done by pushing up this business now. He recited the Biblical story of the Egyptian Pharaoh and Joseph's interpretation of Pharaoh's dream of the seven fat kine and the seven lean kine. In the time of recession, the policyholder will need protection even more than in good times.

Pottery Fire Loss of \$137,500

The Florence Pottery at Mt. Gilead, O., was destroyed by fire last week with a total property damage reported to be in excess of \$200,000. Total insurance carried on the plant by about a dozen companies was \$137,500, and the insurance loss will, of course, be total. The fire started on the roof.

It is understood that the firm did not carry use and occupancy cover.

To Take Over Wooster Concern

Superintendent Lloyd of Ohio has been authorized by the court to take over and liquidate the East Union Fire Insurance Association of Wooster, O. The directors of the association gave their consent.

THE ALLIANCE AGENT

Many Agents find October a good time to hunt up new prospects for Fur Floater Insurance. Some obtain lists of names from local furriers. Then they mail to these prospects copies of Alliance Folder No. H.-9B, "You May Have To Pay Twice for Your Furs" and sales letters based on suggestions supplied by the Company.

"Ask the Alliance Agent"



THE ALLIANCE INSURANCE CO. of PHILADELPHIA

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Service Offices located in principal cities. Complete nation-wide insurance facilities for Agents and Brokers.

Ohio Agents Hold Valuable Rally

President Kridler Sketches Main Events of the Year

Proposes Plan of Study and Examinations; Tells of Debt Repayment

TOLEDO—The presidential message of Paul W. Kridler of Fremont at the annual meeting here of the Ohio Association of Insurance Agents was particularly forthright. He recited the main incidents of the year and suggested some projects for the future, including the setting up of a plan of study and examination leading to a title comparable to that of Chartered Life Underwriter in the companion industry, and also including the creation of a "white list" of companies on which it would be an honor for an insurer to appear. "This," he explained "would not be disciplinary but rather we should seek to know what companies approve the ideals we stand for and then reward them accordingly."

N. A. I. A. Repayment

Particular interest was taken in Mr. Kridler's recital of the extinguishment of the debt of the Ohio organization to the N. A. I. A. Trustee Ed. B. Berkeley of Cleveland, as chairman of a special finance committee, raised \$5,750. Then Mr. Kridler, Harry Minster of Columbus, chairman of the regular finance committee, and Virgil Martin, executive secretary, had a conference at Grand Rapids, Mich., during the convention of the Michigan Association of Insurance Agents with R. W. Forshay, now president of the N. A. I. A. At the time the Ohio unit withdrew from the national, the Ohio debt had been compromised at \$6,500 payable at not less than \$750 per year and all due May, 1942. Four annual installments had been paid leaving a debt of \$3,500. It was largely because of this debt the special fund raising effort was made in Ohio. The entire \$3,500 was paid to the na-

(CONTINUED ON PAGE 33)

Important Resolutions at Convention in Toledo

TOLEDO—At the final session of the convention of the Ohio Association of Insurance Agents here Wednesday morning, special interest was taken in the large number of resolutions submitted by the committee headed by George E. Corby of Cleveland. Several of these memorials set the stage for action to be taken during the year.

One resolution emphasized that the Ohio association is a non-political organization. Another commended Superintendent Lloyd for conducting an investigation of the unlicensed insurance operations of finance companies. Strengthening of the automobile financial responsibility law was recommended, with a special committee to consult with other interested agencies in such an undertaking.

Then the trustees were directed to look into the idea of arranging special examinations for solicitors and agents, those passing to be known by some such title as certified insurance counsellor. Mr. Lloyd was commended for combating unauthorized insurance and reinsurance.

The National Automobile Underwriters Association was censured for promulgating a special rating plan for financed cars, under which the rate is reduced 25 percent and the producer receives 10 percent.

Mr. Lloyd was urged to rule that advisers under the war department rating plan must be licensed agents or foreign brokers. There was a resolution favoring federal taxation of mutuals on the

same basis as stock companies. There was an appeal to stock companies to "grant relief" in the matter of rates on fireproof risks, especially insofar as the minimum gross premium of 15 cents and the extended cover charge for wind resistive structures are concerned.

Then a change in the law was advocated whereunder violation of the non-resident provisions would be classified as a felony instead of a misdemeanor, so that the offender could be extradited. Also legislation was favored to have all fines placed in a special fund to be used for prosecution of insurance law violators. There was a resolution recommending a state-wide educational program. Mr. Lloyd was commended for refusing to license auto dealers and for refusing to approve the HOLC-SCA contract.

Harry Minster, of Columbus, reported as chairman of the finance committee. He said there had been a 20 percent decline in receipts in the past two years and he recommended that dues reclassification cards be sent out.

Virgil Martin, reporting as secretary, stated membership as of Aug. 31 stood at 1,152. W. O. Hildebrand, secretary Michigan association, spoke briefly. J. F. Van Vechten, Akron, reported for the nominating committee and the election took place.

New Vice-president Is a Seasoned Insurance Man

E. B. Berkeley of Cleveland, the new vice-president of the Ohio Association of Insurance Agents, is a seasoned insurance man of 31 years experience. He was located in New York from 1910-12 as co-manager of the casualty department of Fidelity & Deposit. Then he went to Cleveland with the Owen Crowell & Co. agency, the name of which was later changed to Cleveland Insurance Agency. The fact that this agency for 50 years has represented F. & D. will be commemorated at a dinner in Cleveland next month. Mr. Berkeley became president of the agency in 1936. He is president of the Insurance Board of Cleveland and also of the Casualty Insurance Board, and he has been a trustee of the Ohio association for the past year.

"White List" of Companies to Be Assembled

Karl Dakin Elected President at Toledo—Berkeley Vice-president

NEW OFFICERS ELECTED

President—Karl D. Dakin, Lebanon. Vice-president—E. B. Berkeley, Cleveland.

Immediate past president—Paul W. Kridler, Fremont.

Executive secretary—Virgil Martin, Columbus.

General Counsel—Paul R. Gingham, Columbus.

New Trustees—Max M. Fulks, Chillicothe; R. J. Wahn, Defiance; C. W. Hendershot, East Liverpool; (unexpired terms, George E. Corby, Cleveland, and Theodore Safford, Cincinnati).

By LEVERING CARTWRIGHT

TOLEDO—Due to prolonged illness Glen C. Webb of Lima, who had been vice-president for the past year of the Ohio Association of Insurance Agents, could not be advanced to the presidency at the annual convention this year. The nominating committee, therefore, brought to the front a small city leader, Karl D. Dakin of Lebanon, who has the capacity for leadership, and who has been making himself useful to the organization for the past five years. That he was destined for high office was indicated last year when he was elected trustee, but that he would be so soon placed in the presidency was unforeseen.

Few Formal Addresses

The program was not heavily loaded. There were but few formal addresses. There was a skit staged under the auspices of the Ohio Stock Fire Insurance Speakers Club on Farm Insurance; an hour of questions put to L. U. Jeffries, warden of the Ohio department, and



KARL D. DAKIN, Lebanon
New President



PAUL W. KRIDLER, Fremont
Retiring President



VIRGIL MARTIN, Columbus
Executive Secretary



GLEN C. WEBB, Lima
Retiring Vice-president

almost the entire final session Wednesday morning was devoted to a question and answer feature, with a panel of experts on the answering end.

Mr. Dakin will have as his right bower, a big city leader, E. B. Berkeley, president of the Cleveland Board. They are both keen insurance men and devoted to the interests of the organization, so that with their different perspectives, they should comprise a valuable team.

This was the first convention under the management of Virgil Martin, executive secretary. He demonstrated his aptitude for the work and the convention went off in finished style.

Mr. Dakin and Mr. Berkeley were both trustees and new men had to be named to fill their unexpired terms.

Few Formal Addresses

The rumor that differences between the Ohio Association of Insurance Agents and the National association might be composed was not mentioned during the sessions. President Paul W. Kridler did refer to the fact that the debt of the Ohio association to the national had been paid off in full, but he went no farther than that.

Under instructions of the association, the new officers and trustees will undertake to bring about improvement in the field in a way that Mr. Kridler outlined in general fashion. Just what this will amount to remains to be seen. Mr. Kridler suggested that there be prepared a "white list" of companies that are found to be in thorough conformity with exemplary agency practices. Apparently Mr. Kridler desired to avoid having the association single out companies for dishonorable mention, but, of course, omission from the "white list" might be just as conspicuous as inclusion in a black list. Mr. Kridler's idea is that by questionnaires to members and local boards there be accumulated facts about company practices that are short of perfection. Apparently these companies would be put on the carpet and offered the opportunity of being placed on the "white list" if they should mend their ways. The proposal was sketched in such a general way that it all depends on how the officers and trustees decide to translate it into action.

War and Defense Subjects

The formal speaking was confined to the luncheon address Tuesday of Superintendent Lloyd of Ohio on national affairs; the practical talk of E. L. Stephenson, Chicago manager of Associated Aviation Underwriters, and the banquet addresses Tuesday of Milo Warner of Toledo, past national commander of the American Legion, and George E. Allen, vice-president of Home. Mr. Warner gave a stirring address on war and defense themes.

Mr. Dakin is a thoroughgoing insurance man, with a long family insurance tradition. The Dakin agency was formed 68 years ago by Baron Dakin, grandfather of Karl Dakin. The agency was perpetuated by Harmon Dakin, and in 1915 Karl joined his father. The agency is exclusively an insurance office. Mr. Dakin served in the navy in the last war and then returned to insurance work in Lebanon.

For the past five years Mr. Dakin has been active in the rural agents' movement, serving on the state committee and chairman of the district in which Lebanon is located. He was elected a trustee of the Ohio Association at Cleveland last year. Mr. Dakin is now secretary of the Lebanon Chamber of Commerce and is a past president. He is also a former president of Rotary and former commander of the American Legion post. The Dakin agency

has represented Ohio Farmers during its entire 68 years.

J. F. Van Vechten of Akron, trustee of the eighth district, wielded the gavel at the opening of the first session Tuesday morning. The invocation was spoken by Rev. Russel J. Humbert, pastor Epworth Methodist Church. The Toledoans with pride brought forward their mayor, John Q. Carey, just as advertised in the program. The mayor is always scheduled for these greetings, but usually the city sealer or some other minor official turns up instead. Kenneth Rowland, chairman of the Toledo local committee, introduced the mayor. Glenn L. Fitkin was the next greeter, speaking in his capacity of president of the Toledo Association of Insurance Agents.

The response was by E. B. Berkeley, president Insurance Board of Cleveland.

The convention directed that messages be sent to Glen Webb of Lima, vice-president, and Thos. M. Lynn of Zanesville, trustee, who could not attend due to illness.

President Paul W. Kridler of Fremont then delivered his message in which he dwelt on the famed Cincinnati Auto Club case and the extinguishment of the Ohio debt to the National Association of Insurance Agents.

"White List" Project

He reported that the trustees and officers unanimously recommended application of the declaration of guiding principles scheme to Ohio. Companies that are placed on a "white list" would be circulated throughout the state. The first step would be to assemble information through questionnaires to be complete by agents and local boards on practices that are harmful to the agents' interests. These situations would be studied by a committee, and such information thereafter would be assembled periodically.

A resolution was offered by Trustee Isaac D. Griffith, of Girard, instructing the officers and trustees to set in motion the recommendations of Mr. Kridler regarding the "white list" project. This was adopted without discussion.

Then came what is a standard and appreciated feature of Ohio conventions—the departmental conference hour. Representatives of the insurance department stand before the microphone and answer any questions that are put with frankness. This year the hour was in charge of Warden L. U. Jeffries, who is warmly regarded by the Ohio agents, assisted by Thos. L. Woods, who has charge of licenses. Mr. Jeffries made brief prefatory remarks and then invited questions.

Newspaper Insurance

E. B. Berkeley, Cleveland, displayed an advertisement of Washington National for its newspaper accident policy with the Toledo "Times," asking as to its propriety. Mr. Jeffries said he assumes that the representative who would call upon the person filling out the coupon would be a licensed agent of Washington National, and hence there could be no question raised.

On his own initiative Mr. Jeffries referred to the hearing last week before Superintendent Lloyd in the Service Fire case. It involves the right of Service Fire, subsidiary of C. I. T., to write insurance on orders given by auto dealers and employees of finance companies. This, he said, is a "burning question and it seems that the issue has now been drawn." Service Fire, among other things, contends that the auto dealer, etc., is a buyer rather than seller of insurance and hence need not be licensed.

The sections of the code involved are 5438, 644, 9559. One question is whether the company is doing business other than through duly licensed agents.

In answer to an inquiry from A. M. O'Connell, of Cincinnati, Mr. Jeffries said the action was instituted by the department.

The problem has been accentuated within the past nine months by the ex-

Three New Trustees of Ohio Agents

The three new trustees of the Ohio Association of Insurance Agents are: C. W. Hendershot of Defiance, representing the sixth district; Max M. Fulks of Chillicothe, first district, and C. W. Hendershot of East Liverpool, ninth district. They were nominated by agents of their districts.



C. W. Hendershot



Max M. Fulks



R. G. Wohn

tension of finance company insurance arrangements to include personal accident insurance, bail bond certificate, and towing and road service in addition to comprehensive and collision.

C. C. Rudibaugh, of Youngstown, inquired whether the buyer is not the man who pays the premium. Mr. Jeffries said it is a question that has to be considered in relation to all the facts of the case.

Mr. Jeffries said the department had to take drastic action to stop the sale

of accident insurance at filling stations. A movement started for milk drivers to sell accident policies to those on their route, but that scheme has disappeared.

E. B. Berkeley inquired about the applicability of the old Palmetto Fire or Chrysler case to the Service Fire situation. Mr. Jeffries said that question will undoubtedly figure in the case if there is ensuing litigation.

Mr. Jeffries said a furniture store in Canton recently advertised that the unpaid installments of those who buy fur-



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If you are interested in increasing your volume of Automobile Insurance premiums—of General Liability, or of Glass—we will appreciate the opportunity of talking with you about it. Agents in Ohio, Indiana, Kentucky, Iowa, Kansas, Nebraska, Colorado, California, Virginia, Pennsylvania, Maryland, and District of Columbia, are cordially invited to write us—now.

The
★ **MERCER CASUALTY** ★
COMPANY
Celina, Ohio

niture on time would be cancelled in event of death of the purchaser. This, he said, is outlawed as constituting unlicensed insurance.

He got back to the milk route and filling station accident insurance. The idea of the promoters is to improve customer persistency, he said.

Allowances for Absence

The question was asked whether the action of the Columbus City Council in granting firemen and policemen 13 weeks' continuation of pay in the event of sickness and 26 weeks in the event of accident does not constitute insurance. Mr. Jeffries expressed the opinion that it does not. There is no premium involved.

A member said some auto dealers are exacting a higher financing rate if the buyer insists on providing his own insurance. The interest rate might be 1 or 2 percent greater than if the finance company's insurance is taken. Mr. Jeffries said there is no law that reaches that situation. It is not a violation of any anti-discrimination law.

John W. Barrett, of Cleveland, asked whether the Ohio department has taken any position on the proposal of the National Automobile Underwriters Association to offer a 25 percent lower rate and pay smaller rate of commission on financed cars. The department, Mr. Jeffries said, turned the request down about 18 months ago, as in contravention of the anti-discrimination statute pertaining to fire insurance. Later the N.A.U.A. argued that the anti-discrimination law does not apply to coverages other than fire, and hence some of the companies are cutting the rate on financed business other than fire. The department did not give approval to such practice, but the state is powerless to prevent it, he declared.

General Exchange Question

The question was asked whether General Exchange is involved in the Service Fire case. It is not, Mr. Jeffries stated. The facts are not the same in both situations, he said and the department desired not to have a variety of respondents.

The conventioners had a brief whirl at company headquarters, of which there were plenty, and then gathered for the luncheon. Following the meal, the audience assembled in the regular seats, and listened to the address of Superintendent John A. Lloyd of Ohio. It was the third successive convention which Mr. Lloyd had addressed in his capacity as superintendent. Previously he was executive secretary of the Ohio association. Mr. Lloyd devoted his attention largely to world affairs and national policies.

E. L. Stephenson Makes Hit

The luncheon program was merged into the afternoon session. E. L. Stephenson of Chicago, manager of Associated Aviation Underwriters, who has been making numerous talks lately in behalf of his interesting and rapidly growing specialty, gave an instructive talk, into which he injected considerable humor.

There was a brief recess and then there was presented a farm insurance feature. Max M. Fulks, of Chillicothe, chairman of the farm agents committee, introduced D. P. Hague-Rogers, Eagle Star state agent, a young man of English birth, who is very graceful on the platform. He explained that the Ohio Stock Fire Insurance Speakers Asso-

More Than 700 Attend Banquet at Ohio Meeting

More than 700 attended the annual banquet of the Ohio Association of Insurance Agents in Toledo Tuesday evening. President Paul W. Kridler officiated. The head table brimmed over and a second table was set up, which was not enough, so some of the dignitaries were seated among the plain eaters. But they were distinguished by being clad in evening clothes.

Mr. Kridler introduced the black tie element, which included officers, trustees, past presidents, Toledo leaders, convention speakers, etc. One of the special guests was William Donovan, assistant attorney-general. The past presidents were: W. A. Earls, Cincinnati; Walter Kountze and Harvey Martin, Toledo; J. E. Greenwood, Warren; Hugh L. Meek, Columbus; F. P. O'Connor, Lima, now with the insurance department, and C. C. Rudibaugh, Youngstown. L. Calvin Jones of Youngstown was present during the day but did not stay for the banquet.

John W. Barrett presented a silver bowl on behalf of the Insurance Board of Cleveland on which is to be inscribed each year the name of the member who has rendered the most valued service.

Paul Tribolet of Bellevue presented a silver service to President Kridler in behalf of the association. Mr. Tribolet is a trustee.

Vice-president George E. Allen of

ciation would present a skit demonstrating approved technique of conducting a farm insurance interview. This was a sprightly and instructive stunt. A number of pointers on farm insurance coverage were brought home through this vehicle. It was a sugar coated presentation of the subject. The cast included: Edward C. Knoop, of Home; John E. Best, Ohio Farmers; Barrie S. Curran, America Fore; Mrs. Ethel Richardson, Ohio Farmers; Charles D. Sokol, Aetna Fire.

Question and Answer Forum

Except for conducting association business, the entire final session Wednesday morning consisted of the question and answer forum. James C. O'Connor of Chicago, editor of the Fire, Casualty & Surety Bulletins, was to have been the moderator, but he was laid low by the 'flu germ while attending the Kansas City convention of the National Association last week and was not able to keep the engagement. The "consultants" were John L. Meyer, Hartford Fire; E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters; J. M. Smith, A. & H. manager of Continental Casualty; Edgar F. Foster, assistant secretary Fidelity & Deposit; and J. R. Rogers, Chubb & Son.

A splendid substitute for Mr. O'Connor was at hand in the person of Charles F. Stewart, vice-president of the Cleveland Insurance Agency. Mr. Stewart is thoroughly at home on the platform and he was thoroughly successful moderator. He was formerly Cleveland manager of Massachusetts Bonding and is president of the Cleveland Accident & Health Association.

Farewell was said at luncheon on Wednesday over which Mr. Kridler presided.

Home had the crowd in stitches with a string of stories, mainly with Mississippi locales. Prior to the banquet he had distributed copies of a serious speech to the effect that inflation must and can be stopped. It was a well considered treatise but Mr. Allen announced that he would not subject a gay crowd to such torture and he merely read the first line or two on each page and then got to Mississippi.

Milo Warner, Toledo attorney and former commander of the American Legion, in two fisted manner, exhorted his audience to help break up the attitude of complacency that exists in the country, the hypnotic state in which it is felt that everything will be all right somehow.

"If we accept the probable defeat of Great Britain and the nations aligned with her, then we must accept the alternate course of radically altering our economic system, and meeting the ultimate issue by adopting the totalitarian scheme in order that we as a nation may survive."

"Come, fellow American, purge yourself of those things which are gnawing at and consuming your soul and spirit," he concluded. "Cast them aside as an

abomination. Put on new garments of positive patriotism and Americanism. Come, link arms with your fellow man—your fellow citizen—join him as together, for God and country, we all march proudly, bravely forward, with eyes upraised behind the flag of our country, in the refreshing, invigorating air of freedom, to our greater destiny which lies ahead."

CONVENTION NOTES

From the head office of Corroon & Reynolds came Vice-president R. R. Wilde, and Dean Haggerty, head of the automobile department. They were escorted by State Agents R. J. Smith and W. J. Valensi.

The Toledo "Times" was distributed to the conventioners through courtesy of Fidelity & Deposit.

The convention badges were colorful, with a different color for the various classifications—red for officers and trustees, tan for past presidents, white for company men, blue for the rank and file of members. Even the press had a distinguishing color—green.

The registration packet contained the Royal-Liverpool memorandum books, a smaller note book contributed by Camden Fire, a folder giving simplified basis rate schedule for dwellings, with the imprint of Agricultural.

Springfield F. & M. headquarters always had a jolly crowd on hand. The strong Ohio field organization was aided in dispensing hospitality by Emil Hepp from the Chicago department.

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Glimpses Between Sessions at Ohio Agents Rally on Maumee

L. U. Jeffries, warden of the Ohio insurance department, hurried away from Toledo Tuesday after disposing of all the questions that members of the Ohio Association of Insurance Agents at their annual meeting desired to ask regarding the position of the department. He had an engagement in New York Wednesday morning. Mr. Jeffries teaches a law class in Columbus and he had to get a deputy to take his place there.

Bill Smith, special agent of Hartford A. & I. in charge at Columbus, left Toledo for a fishing expedition at Thessen, Ont., Canada, in company with K. K. Atha, manager of the J. R. Jones agency, at Dayton, and Harold Davis of New York Underwriters.

Emmco of South Bend, Ind., which is branching out into the general fire and casualty business, after having been nursed on a strictly automobile diet, was represented at the Ohio convention by Karl Brecht, secretary; J. H. Hopperton, special agent, Akron; and H. J. Pfeifer, claim manager at Toledo.

Leo E. Kietzman, secretary of American, who was on the program at the N.A.I.A. convention at Kansas City, made the trip to Toledo. He always attends the Ohio conventions, as he formerly traveled the state for American.

Hartford Fire and Hartford A. & I. headquarters were a popular rendezvous at Toledo. From Chicago came Philip Beebe and J. Wiley Burden, assistant managers; E. E. Bradenbaugh, Pittsburgh branch manager was on hand; R. B. DeVore, Cincinnati manager, as well as a large Ohio contingent.

S. H. Quackenbush, first assistant western manager of Crum & Forster, was on hand from Freeport. L. C. Dame, Ohio state agent, and the rest of the Ohio field force, saw that he met the right people.

National Surety maintained headquarters in charge of F. R. Middleton, Columbus manager; H. M. Kenestrick, assistant manager; John K. Burns, Akron, and George Blaesi, special agent, the most recent addition to the Ohio organization.

C. D. McVay, president of Ohio Farmers, and Mrs. McVay took care of the wives of officials of the Ohio association while the officials were deciding on nominations, phrasing resolutions and otherwise taking care of matters of state.

Cameron Sanders, Cincinnati manager of American Auto, was to have been in charge of his company's headquarters, but as lieutenant colonel of the state guard, he was engaged in tactical maneuvers, and he assigned the dispensing of hospitality to L. A. Masterson, agency supervisor; Hugh Donovan and Ken Williams, field representatives.

Continental Casualty held open house. J. M. Smith, head of the home office A. & H. department was on the convention program. Other representatives included George Garner, manager Ohio service office; Al Wilson, A. & H. special agent; Carl Anderson, casualty underwriter; Gould Peters of Conti-

mental Assurance, and Glenn Casebeer, A. & H. special agent.

The North America companies held forth with the home office represented by E. H. Ryan, assistant general agent, and Bertram Balch, agency superintendent from the head office of Indemnity of North America. W. J. Gilsdorf, who is now at the home office, and resides at Ardmore, Pa., but who was formerly for many years in the Ohio field, was on hand and enjoyed himself greatly. R. O. Young, Cleveland manager, and V. L. Montgomery, Cincinnati manager, were among the Ohio organization on hand.

K. S. Ogilvie, western and southern manager of Norwich Union, attended the Kansas City convention, passed the week-end at Excelsior Springs, Mo., with L. C. Thoelecke, Chicago manager, and then journeyed to Toledo.

W. O. McLelland, vice-president of American National of Columbus, is always a popular figure at Ohio conventions.

Forrest H. Witmeyer, vice-president of Excelsior of Syracuse, represented his company's head office. A number of Ohio agents are directors of Excelsior, including John E. Greenwood of Warren and A. W. Kettle of Marion. R. C. Hosmer, president of Excelsior, is making agency visits this week in Chicago and Decatur, Ill.

From the western department of America Fore came Secretary H. W. La Rue and Mac Speth, daily report examiner for Ohio. America Fore finds it is valuable to have the examiner in charge of a particular state attend the agents convention of that state.

E. D. Lawson, western manager of Fireman's Fund and commodore of the Burnham Park Yacht Club, attended some of the sessions and also visited the Toledo Yacht Club to look over the fleet.

Royal-Liverpool had a popular headquarters suite. E. W. Hotchkiss, western manager, was on from New York. B. T. Duffey, regional manager at Cleveland, and John Parks, Royal Indemnity manager, had a large number of deputy hosts with them.

There was some grouching because the registration fee was \$6 for company men and \$3.50 for agents, but it didn't go so far as an appeal to Superintendent Lloyd to invoke the anti-discrimination statute.

Evidence of the close relationship between the O.A.I.A. and Ohio Association of Life Underwriters was the presence at the banquet of Ralph W. Hoyer, general agent at Columbus for John Hancock Mutual Life, past president of the Ohio life underwriters and new trustee of the National Association of Life Underwriters.

The Toledo group were excellent hosts. Each member of the Toledo group had a red arm band and was ready to lend a hand to anyone who needed it.

Secretary R. A. Parkinson came on from the head office of Agricultural in Watertown and was piloted by State Agents Wilson Lively and Wm. Rardin.

Dearborn National had headquarters in charge of H. C. Watson, superintendent of agents, and David Allen, state agent.

Osborne Shephard, vice-president of Motor Vehicle Casualty, made the trip from Chicago.

W. L. Sundstrom, assistant manager of Western Factory, was on hand from Chicago, dodging U. & O. offerings.

Questions and Answers Bring Out Fire Cover Points

Several interesting points on fire insurance were made in the question and answer forum at the Ohio Association of Insurance Agents convention. John L. Meyer, superintendent in the western department of Hartford Fire, handled the fire section.

The first group of questions dealt with the new dwelling house form.

Q. What change was made in the 5 percent extension clause in the dwelling house form adopted for use in Ohio Oct. 1?

Coverage Is Excess

A. Under the old form the 5 percent extension clause extended the coverage granted under item 1 covering on the dwelling to cover an aggregate amount of 5 percent on private garages, barns, outbuildings and sheds when such property was not otherwise specifically insured. The new form limits the recovery under this item to an aggregate amount of 5 percent but in no event in excess of \$1,000, and the new form provides that the coverage granted under this ex-

tension shall be treated as excess insurance when such property is otherwise insured.

Q. Was any change made in the item covering household goods and personal effects under the new dwelling house form?

A. Ten percent of the coverage granted under this item was formerly extended to cover on such property while stored in outbuildings on the premises. The new form provides for the same 10 percent extension to cover in these outbuildings or elsewhere on the premises.

Rates on Trees and Shrubs

Q. We understand that a new item has been added to the dwelling house form covering trees, shrubs and plants on the premises of the assured. What fire and extended coverage rates will apply to these items?

A. The fire rate will be the rate applying to the dwelling insured. The windstorm rate will be \$2 annually, and the extended coverage rate \$2.20 annually.

Q. Is it necessary to endorse a fire policy to which the extended coverage endorsement has been attached in order to have proper tornado coverage on buildings undergoing alterations and repairs? The coverage seems to be some-

(CONTINUED ON PAGE 25)

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EDITORIAL COMMENT

That Botein Report in New York

COMPARED to the scandals that were uncovered in the investigation of the New York state fund for workmen's compensation, the report that was released last week of the investigation into the compensation practices of private companies was a dud. In the state fund there was corruption on a widespread scale. A large number of the auditors of the state fund were conniving with assured to make false payroll audits and split the difference. We forget on what charge it was that these auditors went to jail but the ordinary person would say it was stealing.

Bernard Botein was the main investigator in the state fund scandal and he had the same function in the investigation of private companies. Undoubtedly he and his assistants exhausted every means to prove that insurance company auditors were up to the same sort of game as were the crooked employees of the state fund. It can certainly be assumed that if they had been able to prove just one such case, they would have exploited it. Yet there is no specific allegation along this line in the report. The investigators at one point, in referring to certain discrepancies that they discovered, asserted that these were due "to collusion between the assured and either the carrier or its auditor." That assertion, however, is entirely undocumented.

We are not here trying to whitewash the insurance companies against which fines have been imposed as a result of the Botein investigation, but it is certain that the violations of which they are accused do not constitute a scandal such as did the state fund situation. The New York insurance rate law is an estimable statute and every one should observe it to the letter but to violate it is not to go to jail and while the facts of the investigation are not complimentary, yet there is a vast difference between what is charged against the private companies and what was

proved against state fund auditors.

One feature of the Botein report on private companies, that on the results of a test audit of 106 risks, at first blush does seem to expose a shocking condition. The investigators stated that they developed \$437,318 additional premiums as the result of the audits of these risks. Twenty-two of the risks showed no variances from true payrolls but the investigators charged that the remaining 84 had not been reporting correctly. Over a period of 2.7 years, they allege, these 84 risks had concealed \$6,553,351 of payroll by reporting \$7,385,632 instead of \$13,938,983. Of the amount so concealed \$5,242,259 in payroll involving premiums of \$408,967 is alleged to have been withheld through the use by employers of a double set of payment payroll records or books of account. The difference of \$1,311,092, according to the investigators, was "due to collusion between the assured and either the carrier or its auditor."

That, of course, is a shameful showing. If it were the result of a true test audit, it would indicate that there is an amazingly large amount of cheating of insurance companies on the part of American businessmen. The results are entirely at variance with test audits that have been made in the past under the auspices of the National Council on Compensation Insurance and other agencies. Those auditors have showed up such minute differences that the extra premium developed was usually not sufficient to pay the railroad fare of the auditors. We don't know for sure but we are guessing that those 106 risks that were audited were ones about which the investigators had tips or concerning which they had previously developed grounds for suspicion. It is not a pretty picture in any event, but if the audits were made on such a detective basis rather than on a true sampling basis it is not a reflection upon the integrity of American business in general.

Sullivan's Enlightening Address

PERHAPS the most outstanding address, at least the one that attracted the widest attention and furnished a lot of comment given at the annual meeting of the National Association of Insurance Agents at Kansas City was delivered by W. A. Sullivan, insurance manager of Loose-Wiles Biscuit Company there. Mr. Sullivan, who is prominent in the insurance section of the American

Management Association, who has spoken before insurance bodies from time to time, is conservative in his views, friendly toward insurance, a gentleman by instinct and cultivation and one whose advice is well worth while considering.

The National Association of Insurance Agents is promoting what it calls the "V-Plan," which, in short, means

that it hopes to give more efficiency and direction to the non-competitive factors that enter into the insurance business. In hopes to avoid waste, duplication and to make more forceful a number of agencies that are now more or less dormant, or at least not living up to their highest possibilities.

Let us suggest that it might be well worth while for the National association to start with Mr. Sullivan's address, study it profoundly and see if there are not objectives pointed out there that the association could espouse and get behind. Some of the points that Mr. Sullivan brought out are provocative and the National association in the "V-Plan" purposely passes by issues of this kind. However, in this very thoughtful talk there are certainly some points that can be considered by both agents and companies that would mean higher standards.

It is well for all of us sometime to have a glimpse of ourselves as "ithers see us." Very frequently we find ourselves immersed in our own work with our eyes cast down in tense consideration of our problems and we fail to see features that should be considered. It is only when some kindly critic points out the weaknesses in our procedure that we sit up and take notice. Mr. Sullivan has done exactly that. He has looked at insurance not alone from the buyer's standpoint but the insurance viewpoint. We should not let an address like this pass by, let it be applauded by those who heard it or those who read it, acknowledge that it is a very powerful presentation and then drop it.

The insurance business is seeking to create good will and friendship all along the line. Mr. Sullivan certainly has given counsel that all should heed.

PERSONAL SIDE OF THE BUSINESS

A. M. Anderson of the Anderson & Newell Company general agency of Little Rock made a visit to the western department of Springfield F. & M. in Chicago before returning home after attending the Kansas City convention of the National Association of Insurance Agents.

E. G. Frazier, vice-president in the western department of Springfield F. & M., and Mrs. Frazier are on a vacation trip to the Pacific Coast until about the middle of November. Mr. Frazier went on west after attending the Kansas City convention of the National Association of Insurance Agents and presiding at the headquarters suite of his company.

Orville Sheffer of the Wichita adjusting firm of Sheffer-Cunningham missed the N. A. I. A. gathering in Kansas City, being on a deer hunt in Colorado. However, he was rewarded by bagging his deer, although he was the only successful member of his party of eight.

Clarke Munn, Jr., son of the manager of the Cook County Loss Adjustment Bureau at Chicago, has been appointed executive assistant to the under secretary of the Department of Interior at Washington, D. C. Mr. Munn is a graduate of Dartmouth and took his law course at Georgetown University. He started to practice law in Washington and then secured a position as solicitor in the Department of Interior. He has made a remarkable record as he graduated only nine years ago from Dartmouth.

Gilbert E. Moreau, more popularly known as "G. E.," Chicago manager of St. Paul F. & M., and Mrs. Moreau this week announced the marriages of their daughter, Jeanne and son Gilbert Woodruff Moreau III. Both were military marriages, the grooms being in active service. Jeanne was married in the chapel at Fort Sheridan, Ill., to Lieut. Elwood Nickell Chambers, son of Mr. and Mrs. G. C. Chambers, Hagerhill, Ky. The family and a few friends attended. Lieut. Chambers is attached to

the 103rd Coast Artillery. He is a graduate of University of Kentucky. They have gone to fortress Monroe for 10 weeks, after which they will return to Fort Sheridan.

Gilbert, who is stationed at Fort Benning, where he is in the artillery school, married Ruth, daughter of Daniel Platz, Watertown, Wis. He worked of summers with Moore, Case, Lyman & Hubbard in Chicago, while attending Dartmouth, from which he was graduated in 1940.

William L. Chase, underwriter in the inland marine department of America Fore, Chicago, left last week for his vacation. He will visit New York, where he will receive the prize as winner of the Insurance Institute inland marine examination. Mr. Chase also received honorable mention for honor rating on his completion of the general principles course.

DEATHS

Carl G. Mackin, 40, for the past 15 years an executive in the southern department of Hartford Fire, Atlanta, died suddenly. He suffered a heart attack while working at his desk, and died soon afterward.

H. E. Tonnemacher, 41, special agent of North British at Sacramento, Cal., died at his home from a heart attack. He had been with North British since 1917 and had traveled the Sacramento valley territory for seven years.

Francis McGovern, 53, fire prevention engineer with the Wisconsin Fire Insurance Rating Bureau in Milwaukee since 1922, died there after a brief illness. Burial was at Omaha, his birthplace.

Frank C. Greene, 64, attorney of Louisville, who as a member of the Kentucky legislature in 1914 was co-author of the famous Greene-Glenn insurance act, which was so drastic in its provisions that nearly all the stock fire companies either withdrew from the

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"John, I wish you'd get fire insurance!"

state, or refused to write business, was found dead in bed in a hotel at Winchester, Ky.

A. Burt Palmer, 70, Keene, N. H., local agent, died suddenly. Mr. Palmer bought the C. B. Perry & Sons agency in Keene in 1905. His son Richard became a partner in 1927. Another son, Robert J. Palmer, heads the Judd & Parsons & Parker agency, Springfield, Mass.

Ben Hobold, 43, office manager for the Meyer Insurance Agency, St. Louis, died of a heart attack at his home Monday shortly after he had eaten dinner with his wife and their two sons. He had been suffering from a heart condition for several years but had been able to continue his business duties.

Frank G. Herman, 62, manager of the Merchants & Manufacturers Insurance Bureau, Indianapolis, died there. Prior to that connection he was the Indiana state agent of Agricultural and served for many years as secretary of Indiana Fire Prevention Association.

CALLED TO SERVICE

War Service Calls Many in Western Department

Hartford Accident's western department in Chicago has some 16 members of the staff in the service. L. W. McConaughy is a lieutenant in charge of the intelligence service at Great Lakes Naval Training Station, supervising a large district. He formerly was in charge of the burglary claims department at Chicago.

John C. Martin, formerly of the surety claims department, is a lieutenant in charge of the army's sixth corps intelligence work in Chicago. Donald C. Hayward, formerly compensation and liability underwriter, is an ensign, who is the sole member of the naval selec-

tion work for Michigan, located at Lansing.

Richard Lavery, compensation and liability underwriter, an Annapolis graduate, was recalled to service and is at sea as an ensign.

Thomas R. Masterson, formerly in charge of the correspondence department at Chicago, is a lieutenant stationed at Hamilton Field as a supply officer for the air corps. **George O'Brien** of the claims department also is a lieutenant stationed as supply officer at Selfridge Field for the air corps. **Samuel Rockwell**, assistant superintendent of the personal accident department, is a lieutenant assigned to the air corps as supply officer at Panama.

About nine others were called into selective service.

Several members of the **Ohio Blue Goose** now are in various branches of the service. Among them are the following, shown with their insurance connection:

Maj. Ben Cheney, district supervisor, U. S. F. & G., Cincinnati; **Edwin Wuchter**, Western Adjustment, Youngstown; **Robert C. Hosmer**, special agent Excelsior Fire, Cleveland; **Ralph V. McKinney**, inspector sprinkler department, Ohio Inspection Bureau, Columbus; **Frank Foster**, inland marine special agent North British, Columbus; **Ned Reynolds**, American of Newark; **Edward R. Swanson**, inspector, Ohio Inspection Bureau, Cleveland; **Joseph Scott**, Audit Bureau, Toledo, and **Bolton Anderson**, Ohio Inspection Bureau, Toledo.

J. O. Bragg, Iowa special agent of Fidelity & Deposit, has been ordered to report for army duty at Fort Des Moines. He is a first lieutenant in the reserves.

Questions and Answers Bring Out Fire Cover Points

(CONTINUED FROM PAGE 21)

what limited under the stipulations of the extended coverage endorsement applying to windstorm perils.

A. The extended coverage endorsement attached to a fire policy becomes an indivisible part of that policy. When a uniform form is attached to the policy it takes precedence over the wording in that policy, and any phraseology in the

form, such as appears in the alterations and repairs permit, is recognized as a specific assumption of liability.

Q. Is it possible to endorse part of the fire insurance covering a specific property with the extended coverage endorsement granting partial protection against the perils insured without jeopardizing the assured's recovery in the event of a partial loss?

A. The apportionment clause in the extended coverage endorsement states definitely that the company shall not be liable for a greater proportion of any loss than the amount of insurance under that policy bears to the whole amount of fire insurance covering the property. Therefore it can be readily seen that if only part of the fire insurance covering the property has been broadened to cover the extended coverage perils, the assured would only collect a partial loss when the property was damaged by any of the perils insured under the extended coverage endorsement.

Vandalism and Malicious Mischief

Q. What is the difference in coverage granted under the limited and the broad forms of vandalism endorsements?

A. The only difference between these two forms is that the broad form covers acts of vandalism and malicious physical damage by agents of foreign govern-

ments, while the limited form excludes this loss.

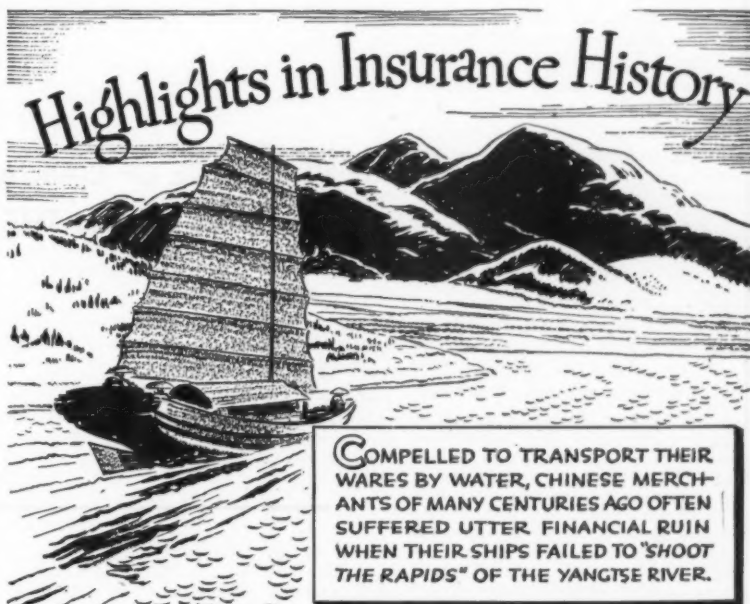
Q. Is it necessary for an assured to maintain a permanent inventory before he can utilize the advantages of the reporting form with any degree of safety?

A. If the assured takes an inventory once a year and keeps a record of his sales and purchases each month he will have no difficulty in converting these figures each month into sound value, and if he makes an honest effort to do this he will probably be much better off than he would be if he carried coinsurance on the same stock without the monthly checkup.

Garver in Local Agency

C. O. Garver, state agent of the Pawtucket Mutual Fire in Ohio and Indiana, has resigned effective Nov. 1 to become associated in the local agency business with **Russell Kelly** of Sandusky. The name of the agency will be **Kelly & Garver**.

A. R. Phillips, vice-president Great American, who had been convalescing at his home in Montclair, N. J., for the past several weeks, following an operation in a Newark hospital Sept. 22, left for his Virginia farm Oct. 21 for a further rest period. He is expected to return to his desk in a short time.



COMPELLED TO TRANSPORT THEIR WARES BY WATER, CHINESE MERCHANTS OF MANY CENTURIES AGO OFTEN SUFFERED UTTER FINANCIAL RUIN WHEN THEIR SHIPS FAILED TO "SHOOT THE RAPIDS" OF THE YANGTSE RIVER.

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The NATIONAL UNDERWRITER

October 23, 1941

CASUALTY AND SURETY SECTION

Page Twenty-seven

III. Department Poses Several Auto Coverage Issues

Holds Gathering with Company Representatives on Current Problems

About 75 company representatives attended a meeting in the Chicago Board Auditorium that was called by Insurance Director Jones of Illinois to discuss several questions relating to underwriting of the automobile P. L. & P. D. end of the casualty business. Several questions were brought up but there was not a great deal of discussion and there seemed to be little indication that immediate changes are in the making. But at least the company men were made conversant with problems that the department is pondering.

The original intention was to have just a small gathering of one representative from each of the rating bureaus but the story of the forthcoming meeting was sent out by the United Press and since it had been so extensively publicized, Mr. Jones decided to admit any company representative.

Jones Tells Attitude

Mr. Jones opened the meeting, saying he desires to cooperate in every way with the insurance companies but that he must, of course, look to the welfare of the policyholders and the department has been receiving some complaints as to practices in connection with automobile insurance that have caused the authorities some concern. He admitted that he is not well versed in underwriting matters and so he turned the meeting over to Special Deputy H. A. Miller, who has made a close study of the entire situation and is an especial authority on automobile insurance.

The first question that Mr. Miller brought up was the difficulty, which he said is being encountered by those under 25 years of age in getting automobile insurance. He said that he does not blame the companies for declining applications from youngsters who have bought old cars from a junk pile and he was not dogmatic in his position, but he did say that he would like to hear expressions of opinion on the subject. A. E. Spottke, head of the automobile department of the National Bureau of Casualty & Surety Underwriters, pointed out that the only action that the bureau has taken touching on this matter is setting up of rate classification A-1 for those cars, that among other things are not to be driven by anyone under age 25. He observed that it is a matter of underwriting judgment on the part of the individual company. Henry S. Moser, general counsel of Allstate, said that he would like to hear some discussion on this point, but none was elicited and Mr. Miller went on to his next point which was the question

(CONTINUED ON NEXT PAGE)

Newer Bond Forms Create Opportunity for the Agent

A number of practical suggestions were brought out at the forum on fidelity bonds at the convention of the National Association of Insurance Agents in Kansas City last week. W. Herbert Stewart, Chicago, was the discussion leader, assisted by Edwin S. Nellis, Topeka, vice-president Kansas association; Edgar F. Foster, Baltimore, assistant manager fidelity department Fidelity & Deposit, and Boyle O. Rodas of W. H. Markham & Co., St. Louis.

There is plenty of fidelity business available to the agent in a typical small community, Mr. Nellis said. His own town, with 85,000 population, is of that type. With its diversity of industries, the agents in this or similar communities now have unlimited possibilities for developing all of the fidelity lines.

Can Reach New Prospects

The discovery, primary commercial blanket, banker's and broker's blanket, the blanket bonds for savings and loan associations, and the retroactive and prospective reinstatement riders permit agents to interest prospects heretofore out of their reach.

With the primary commercial blanket bond's broad definition the agent in a small community has all or most of the following as immediate prospects: Automobile sales agencies, baking companies, clothing stores (more particularly locally owned chain stores), creameries, department stores, fraternal orders, life insurance companies locally owned, locally owned packing companies, personal loan concerns, wholesale houses, both dry goods and grocery, etc. Reduction of the minimum penalty from \$25,000 to \$10,000 has been particularly helpful in this respect, he said.

Mr. Nellis strongly recommended that in cases of bonds on which premium runs \$500 or more, after credit has been allowed for the underlying coverage, if any, such risks should be submitted to the bureau for experience rating. Otherwise the agent is liable to lose the order to Lloyds or mutual competition.

Rate Reductions Helpful

The several reductions in rates have been helpful. Throughout Kansas bankers who formerly carried moderately sized burglary and similar holdup policy are rapidly swinging over to the blanket bond which gives them very superior protection for little, if any, additional cost.

The blanket position bond can be used advantageously in the smaller communities on risks such as clothing, automobile supply, hardware, paint and wallpaper stores, and electrical appliances dealers.

Foster on Blanket Forms

Mr. Foster outlined the advantages of blanket position bonds over individual and schedule fidelity bonds. With the blanket form the employer will not feel that he is discriminating among his employees by requiring only a certain few of them to furnish bonds. There is no guess work on the part of the employer in first selecting which

employees should be bonded and then attempting to decide separate amounts for which such employee should be covered. The blanket form automatically covers present and future employees. The employer does not have to identify the particular employee who may have caused the dishonesty loss. Also, the employer may be more protection conscious than premium conscious in considering blanket forms. He does not have the choice of cutting down on an employee's bond to save a few dollars in premium.

Rodes Gives Pointers

While the agent does not have to become a specialist on dishonesty insurance, he should be able to present the difficult subject in a thoroughly intelligent way, Mr. Rodas said. In promoting fidelity business, the agent should arrange his calls with the fidelity line as the subject of the interview with each prospect. Other business may develop and often does, but unless the agent follows through with fidelity he won't get the fidelity business. In many cases compensation and fire lines have followed for the Markham agency as a result of successfully revamping fidelity and burglary lines for an assured.

Fidelity business stays on the books a long time, and with today's modern coverages, the agent should have a substantial amount of this business. The agent should check with every assured as to fidelity coverage, and if he does, he will find many of them with no fidelity protection at all or with antiquated forms agents have not taken the trouble to bring up to date.

Stewart's Talk

Mr. Stewart said that fidelity insurance has developed into one of great necessity in many lines of business. The first blanket bond was written about 30 years ago.

He stated the future looks very encouraging, that there is a large unsold market. The agent is responsible for developing the line. In his opinion, the average agent is not interested in fidelity bonds. He thinks too many agents steer away from bonds because they think the writing requires technical knowledge. He said all one needs to handle this class of business is a little common sense and that the bonds can be handled much easier than many other casualty lines. He pointed out that there is a need of sales ability, that unfortunately too many lack salesmanship.

Small Bond Leads to Others

The writing of one small bond very often leads to the development of much other business, he said. As a concrete example he told of a case where his office years ago wrote a bond with only a \$10 premium and now this account is one of the largest in the agency.

In writing bonds it is usual to contact the head of the business and in a great many instances personal business is developed, he said. Mr. Rodas feels the bond business is a prolific and profitable field which the agents should develop fully.

Formula Is Adopted by Accountants at Baltimore Meeting

Calculated to Meet Harrington's Requirement on Unearned Premium Fund

A resolution embodying a formula which is expected to meet the requirements of Commissioner Harrington of Massachusetts in his ruling of Feb. 25, 1941, regarding the reserve on the unearned premium on three-year installment policies covering workmen's compensation, was adopted by the Association of Casualty & Surety Accountants & Statisticians at a special meeting in Baltimore. Commissioner Harrington's ruling would unduly penalize carriers in that it would force them to set up reserves on these installment policies just as if the entire premium had been collected in advance, according to casualty men. This would mean setting up commission reserves and paying taxes, for example, on the entire premium even though the full premium would not be collected for a couple of years to come.

Another Resolution Adopted

The new formula worked out by the association will give the correct unearned premium reserve as of any reserve date on any policy. The association also adopted a resolution for the guidance of the committee of the Association of Casualty & Surety Executives which has been conferring with Commissioner Harrington regarding interim audit policies as well as on the three year installment policies. The interim audit problem raised by Commissioner Harrington's ruling is an extremely difficult one and is still quite a way from a final solution.

There was a long discussion on the reporting of funds in which foreign nationals have an interest. It developed that all carriers are making a very complete review, insofar as records are available, of foreign funds which are reportable under President Roosevelt's order. Particular attention is being given to collateral and joint control accounts. It now appears that as far as Canadian nationals are concerned there are no restrictions on the payments of funds providing this is done out of funds held in Canada. Funds paid out of Canadian branches do not need to be reported under the executive order.

Reports on Schedule K Study

T. F. Tarbell, casualty actuary Travelers, submitted a comprehensive report as chairman of the committee which has been working on standardized data and instructions for compiling a uniform version of Schedule W covering premium loss and expense data concerning workmen's compensation and which has been confusing on account of being different in the differ-

(CONTINUED ON PAGE 33)

May Extend Medical Payments to Residences

The idea of making available for attachment to O. L. & T. policies covering residences a medical payments endorsement similar to that now offered in most states in connection with the automobile liability contract is being given serious consideration by leaders in casualty company ranks. Under this coverage those injured on the premises receive reimbursement for medical expenses, regardless of whether the one responsible for the property is negligent, and funeral expenses up to the limit stipulated are paid in event of accidental death. Advocates of this step believe it would stimulate the sale of residence policies and would provide needed benefits.

Except for two or three states the medical payments endorsement is permissible for attachment to the automobile policy and it is expected that approval in due course will be secured in those states. Hence the principle has been established and presumably there should be no difficulty in getting departmental approval of extension of the principle to the O. L. & T. field.

Some see in the possibility of extending this medical payments cover the setting in of a trend that some day may serve to cause less and less emphasis to be placed upon the factor of negligence in liability cases. Such a trend would be greatly accelerated if the companies should ever get around to providing income disability benefits as well as medical reimbursement under third party covers without relation to the matter of negligence.

Poses Several Auto Coverage Issues

(CONTINUED FROM PAGE 27)

whether the department should approve the issuance in Illinois of a combination comprehensive automobile and general liability policy. The department declined to approve this policy although it does permit the issuance of the comprehensive forms in separate contracts.

One of the considerations in declining to give approval was the objection from certain companies that were not in a position to issue the combination contract. He said he wondered whether those objections still exist. The department is willing to reconsider the matter, he said.

Another question that he posed was the matter of fleet rating. He said the department feels that the application of fleet credits is on an uneven basis and that there should be more uniform practice. Then, Mr. Miller brought up the question of rating commercial cars. The present basis is the manufacturers load capacity. But there has been some sentiment to change to the gross weight basis. Under the present system, it is felt, some of the commercial cars that are classified as light and get a rate advantage are exposed to the same hazards as the medium vehicles. Then there was the question of whether too many trucks are not written under the local classification that really should be in the long haul brackets.

W, X and Y Symbols

There was a question whether the W, X and Y differential should not be eliminated and those in the audience gathered the impression that this would be done, perhaps gradually over a period of years. Another problem that exists no longer, Mr. Miller said, is the question of what constitutes carrying a passenger for a charge.

Then he suggested that the casualty and fire companies come to an agreement as to a definition of passenger

Double Anniversary Long Survey Proves Good Sales Method for Comprehensive



CHARLES H. BURRAS

Joyce & Co., Chicago, general agents of National Surety and the Massachusetts Bonding, is observing its 40th anniversary this year and President Charles H. Burras his 25th anniversary as president. Founded as Joyce & Ayers in 1901 by William B. Joyce and Henry A. Ayers as general agents for National Surety, the organization was incorporated the following year. In 1904 when Mr. Joyce went to New York to become president of National Surety, Mr. Ayers became president serving for a year when the agency was reorganized as Joyce & Co., in 1905. Charles R. Crane became president and served until 1908 when he was succeeded by E. A. St. John, who served until 1916 when he went to the home office of National Surety. Mr. Burras then became president. Mr. Burras started in insurance in the legal department of London Guarantee in Chicago in 1897. He practiced insurance law until he assumed his present position. He has been especially active in the National Association of Casualty & Surety Agents, having served as its president for three terms. He is now secretary-treasurer.

Maryland Calls Guaranteed Bonds for Redemption

BALTIMORE—The Maryland Casualty has announced that it will call for redemption Dec. 1 \$1,880,200 in bonds outstanding on which the company is guarantor of both principal and interest under the mortgage refunding plan which became operative in 1934. The bonds will be called at 100 and accrued interest.

With the redemption of these bonds, it was said that only \$864,200 in Option I bonds will remain outstanding, against an original principal amount of \$11,524,800 issued under the refunding plan. The bonds which will remain outstanding, according to the company, are obligations of corporations over which Maryland Casualty has no control.

The redemption will be accomplished without any current charges against the company's operating income or surplus, inasmuch as Maryland Casualty in January, 1941, by appropriate charge-offs, absorbed all remaining estimated losses incident to the liquidation of outstanding mortgage obligations guaranteed as to principal. This was done by charging all these losses to reserves carried in the Dec. 31, 1940, financial statement.

and commercial cars. At present the fire and casualty definitions are different.

Otto Patterson, executive vice-president of American Automobile, suggested that the conversations be carried for-

KANSAS CITY.—The survey, important to companies for proper underwriting of comprehensive liability, is extremely effective in selling the line. This was the principal thought brought out in the forum on comprehensive liability at the convention of the National Association of Insurance Agents in Kansas City. More than 350 attended the session.

George Haerle, member National association executive committee, Portland, Ore., presided, and Harold N. Mann, Tacoma, Wash., introduced speakers and subjects and discussed surveying and servicing. "The Inside of Comprehensive" was treated by E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters, and "The Outside of Comprehensive," by John H. Egloff, supervisor agency field service, Travelers.

McGee Likes Long Survey

Frank McGee, Kansas City, expressed strong approval of a long survey in his talk on market and sales hints. The more the prospect gets into the subject via the survey the more he wants the cover, Mr. McGee said. Experience shows that the survey is, in effect, a good sales talk.

Don't overlook the small risk, he urged. The agent can't measure the prospect for comprehensive on the basis of the latter's present premium payments. In a great many cases the Thomas McGee & Sons agency has been able to place the cover on risks that looked way too small, he said. Here was one with a \$35 premium; it is now under comprehensive at a premium of \$309. Another had a premium of \$38, now pays \$235 for this line. Many small businesses are primarily local in the character of their operations, yet get out into surrounding areas to some extent, he said.

Sell the "Top Man"

Mr. McGee suggested the agent make his approach through the boss. He controls the spending. If the agent goes first to the comptroller or treasurer, the program gets whittled down.

Comparison of the few exclusions under comprehensive with the many under separate liability forms is a good selling point, he said. The prospect should be told the story of comprehensive as a whole; don't break it down into what he gets in each part and what he pays for each. The sales story should be gone into properly and in sufficient detail, he said. Take all the time necessary.

Don't Leave for Field Man

The survey is fundamental in writing comprehensive, Mr. Mann said, and it must be drawn carefully and completely. By all means don't leave the job to the field man. If the field man does the preliminary work, the agent loses his hold on the business. Call in the field man afterwards to check the survey.

It is important that the agent know all he can about the client's business, he said. Don't fail to take enough time with him, and don't let him gloss over any possible hazard. Be sure to read his hold harmless agreements and make copies of them. Mr. Mann also finds it is a bad idea to break down coverage or premiums; quote one premium and sell one cover. When he does this the agent is selling liability insurance, not policies.

It is vital that at the time the sale is made the agent prepare the prospect

ward at lunch by a smaller group. Most of the comment from the floor was given by Mr. Spottke, H. W. Yount, vice-president of Liberty Mutual; R. C. Mead, actuary of State Farm Mutual Automobile, and Mr. Moser.

Rebates Draw Fines for N. Y. Agents

NEW YORK—An investigation of rebating practices in New York state has resulted in fines of \$500 each on two agents. According to Louis H. Pink, superintendent of insurance, the investigation thus far has been centered in the surety field, but the practice is known to exist in other fields as well.

The two agents offered rebates of 10 and 20 percent. The department points out that this illegal practice is harmful to the business as a whole and for years it has been a thorn in the side of all reputable agents, brokers and contractors. Many contractors have found themselves losing large risks because of competitors who were able to secure rebates on their insurance and thereby offer lower bids. Insurers, companies and producers have complained of losing substantial accounts where the only explanation seems to be that of rebating.

It is only because the two agents were the first to become involved that more drastic action was not taken, Mr. Pink said. Others found engaging in rebating cannot expect such lenient treatment and will be in serious danger of losing their licenses. Assured receiving rebates also are violating the insurance law, he said.

for the audit and the possibility that with new hazards creeping into business and industry today there may be additional premium to pay after the audit. Agents needn't be scared of the audit if they follow this procedure.

Agent Should Act Now

Unless the agent gets into comprehensive right now, works on it and starts producing, the situation will pass him by, Mr. Mann said.

The question and answer period was lively. Does comprehensive cover punitive as well as "actual" damages? it was asked. Mr. Sawyer said the cover follows the state law that is applicable to the particular situation. The policy would cover if the law allows punitive damages for accident. The policy also covers false arrest, though not on a blanket basis.

In response to another question Mr. Sawyer said that in states where broadening of the cover is permitted it may be written to go beyond the strict definition of "accident" and cover such things as omission to do something, as in a clinic or hospital.

What does assumed liability mean as defined in the policy? Comprehensive covers liability assumed by contract, Mr. Sawyer explained. There is automatic coverage of such contractual liability as is common in industry and business, such as the spur track agreement. Beyond this protection can be effected by endorsement. The policy covers liability imposed by law, but underwriters still feel they can't write blanket protection for any contractual liability assumed may assume.

Average Premium High

What is the average premium on comprehensive as the line is being developed over the country? Several agents commented on their experience. One risk paying \$80 for coverage, developed into a \$400 risk under comprehensive, another from \$7 to \$700. Experience has been good in running them up. The agent shouldn't let the minimum payment requirements scare him or prospect. It is a great experience to get hold of the little ones and build them up, one agent commented. The agent shouldn't put the "too small" label on a risk till he has looked it over.

Mr. Mann suggested that with something new like this the tendency of the agent is to take it to the big, "target" risks first. Consequently the average premium probably will be high in the early period of comprehensive. But it is building all premiums in its field to higher averages.

Companies Protest Mass. Auto Rates

Counsel at Hearing Says They Are Inadequate by \$800,000 to \$900,000

BOSTON—Very few attended the hearing held by Commissioner Harrington on the proposed auto liability insurance rates for 1942.

Heading the opposition to the proposed rates was Judge F. H. Chase, representing all the stock casualty companies. He placed in evidence voluminous rate data and calculations. He said rates in the commissioner's tentative schedule are inadequate, according to the companies' calculations, in the amount of \$800,000 to \$900,000. This is substantially the amount which the commissioner proposes to cut the rates from the 1941 schedule.

The commissioner's computations and those of the companies have never yet agreed on what constitute adequate rates. As to the accuracy of the computations, he said it is significant that the companies' computations of what is necessary over the years since these rates were first promulgated have proven uncannily close to what was really needed in premiums to meet the experience as it subsequently developed, while the rates forecast by the commissioners over that period invariably have fallen short many millions of dollars.

Objects to "Workmen's Livery"

Judge Chase also took decided exception to the new classification, "workmen's livery," included this year by Commissioner Harrington in an effort to overcome the difficulty of providing insurance for drivers of private passenger cars carrying fellow workmen to and from their places of employment for a consideration. The rate tentatively promulgated by the commissioner is the same as for the private car. Judge Chase said the coverage gives more than is given in any other state and for less money. While the companies are willing to do their share and more for the national defense, he contended that in this instance the commissioner has gone too far.

Commissioner Harrington stated in reply that it was the intention to give car drivers the same protection in Massachusetts that has been given voluntarily by the companies in other states. He agreed, however, to consider data that Judge Chase said he would submit on behalf of the companies.

Except for the protests of the city of Boston through Roger Cutler, corporation counsel, the other protests were of minor concern. Mr. Cutler said Boston motorists are penalized for accidents due to the congestion hazard, arising from the fact that Boston is a bottleneck of travel. Over this hazard he said the Boston autoist has no control but he should be given consideration through a congestion factor in the rates.

Moorhead to Honolulu

L. S. Moorhead, president of Associated Fire & Marine and Associated Indemnity, is leaving San Francisco Oct. 30 for Honolulu to look after several large construction jobs the indemnity company is covering. Recently Associated sent Walter Fichtenau, safety engineer, to remain in Hawaii until the jobs are completed. He was formerly with the bomber plant at Tulsa, Okla., and previously had handled safety work and claims adjustment on large construction jobs in the United States for Associated Indemnity. The Hawaiian jobs are national defense projects.

Opens in Ohio for General

American Automobile is now writing general liability lines in Ohio as well as automobile.

New Vice-president of Casualty Agents



JOHN E. O'NEIL

BOSTON—John E. O'Neil, newly elected vice-president of the National Association of Casualty & Surety Agents, is a member of the firm of Fairfield & Ellis, leading general agents in Boston, and one of the best known casualty representatives in the city.

A native of Boston, Mr. O'Neil graduated from the Boston English high school and in 1906 entered the agency of O'Neil & Parker as a clerk, being a nephew of the senior member of the firm, which is the Boston general agent for United States Fidelity & Guaranty.

In 1910 Mr. O'Neil was made assistant manager of the agency in charge of casualty lines. In 1926 he resigned to enter the office of Russell & Fairfield, now Fairfield & Ellis, as manager of the casualty department. In 1934 he was made a member of the firm of Fairfield & Ellis.

Mr. O'Neil is a member of the Insurance Society of Massachusetts, the Massachusetts Association of Insurance Agents, and is vice-president of the Casualty General Agents Association of Boston. For several years he has served on the executive committee of the National Association of Casualty & Surety Agents.

Plan Educational Campaign

NEW YORK.—Plans for a comprehensive educational campaign to acquaint the public with the new financial responsibility law were outlined by Motor Vehicle Commissioner Mealey in his talk at the General Brokers Association annual dinner. Mr. Mealey urged the brokers to do their part in educating the public, not merely insuring the largest possible number of motorists but explaining the law's benefits where the motorist is the victim of an accident.

George F. Sullivan, association president, presented the organization's annual gold medal for the most meritorious service to the insurance brokerage business to J. J. Magrath, secretary of Federal. Superintendent Pink of New York made a brief talk.

Surety Claim Men Meet

W. L. Flynn, who is largely responsible for the creation, under the auspices of the Insurance Society of New York, of the Surety Claim Men's Forum, presided at the initial gathering of that body in New York. Arthur Goerlich made the welcoming address.

The purpose of the organization, Mr. Flynn stated, is to enable claim men to render more efficient service to their companies and to the insuring public through frank discussions. Subsequently the subject of "Claim Procedure in Dishonesty Losses," was considered. The related "Evidence in Dishonesty Losses" is slated for discussion Oct. 29.

N. Y. O. K.'s Medical Payment Cover

Bars Covenant Not to Sue and Named Insured

The New York department has given approval to the revised standard automobile liability contract, including the medical payments feature, which may be provided by inclusion in the policy itself as an optional cover or may be provided by endorsement. Heretofore the New York department has withheld approval of the medical payments coverage. A hearing was held on the subject some time ago, and the testimony was favorable, so approval has been anticipated. In New York the endorsement may not be issued to include the named assured and the covenant not to sue may not be used.

May Abandon Covenant

It is predicted that shortly the companies will abandon entirely the covenant not to sue throughout the country. In a good many states it is prohibited, and in those states where it may be issued, most of the assured buy the form that does not include such covenant.

In the revised standard policy, whereunder the insurer may, if it so desires, include in the policy itself the medical payments cover as an optional feature, the covenant not to sue is omitted. The medical payments feature has been ingeniously woven into the policy, so that a standard arrangement appears in all states, even in those states which do not now permit the cover to be written. In the latter states, of course, the entry is simply not completed. In the other states, the entries may be made so as to cover the named assured or not, as desired, and different limits may be stipulated.

Horton Seeks Settlement of Birmingham Adjuster Case

BIRMINGHAM, ALA.—Hopes are held out for a peaceful settlement of the long fight of the Birmingham Bar Association against insurance adjusters, as a result of a visit to Birmingham by L. A. Horton of Oklahoma City, executive secretary-treasurer and former president of the National Association Independent Insurance Adjusters.

Mr. Horton, who is an attorney, was here to investigate the case of J. L. Wilkey, Birmingham independent adjuster, against whom the bar association has a case pending in the state supreme court for alleged unlawful practice of law.

At the suggestion of some members of the bar who made it clear they were tired of the litigation, Mr. Horton agreed to act as a peacemaker. He met with the president and executive committee of the bar association and offered to settle Wilkey's case in accordance with the statement of principles laid down by the conference committee on lay adjusters of the American Bar Association. This would permit him to perform the usually accepted duties of an adjuster, but not participate in any court processes. The bar group will refer the proposed settlement back to the association as a whole for consideration.

The settlement on the basis of the American Bar Association principles was authorized by both Wilkey and his attorney. Mr. Horton said that before participating in the conference, he investigated Wilkey's case in full and found him to be living up to the ethics of the profession 100 percent and that the adjusters association extended him full support.

Wilkey has been convicted twice in lower court, but each time won a reversal in the supreme court.

Travelers Chicago Branch Opens New Exchange Offices

The Travelers companies were hosts Monday to more than 2,000 friends and business associates in their new quarters on the third floor of the Insurance Exchange building, Chicago. Remodeling and refurnishing of the offices has gone on for more than six months, and the results are strikingly handsome new headquarters for the Chicago branch.

On hand from the home office were R. D. Safford, vice-president, and Thomas J. Butler, superintendent of agencies, Travelers Fire; Tracy Smith, superintendent of agencies, and L. J. Kempf, secretary, casualty department, Travelers Insurance Co.; C. E. Pratt, Travelers comptroller; Thomas W. Cole, assistant superintendent of agencies; R. A. Buck, agency assistant, and H. W. Anderson, assistant superintendent of agencies, life and accident department; L. P. Allison, assistant secretary life department, and M. G. Vincent, branch office supervisor. The latter has been in Chicago on and off the past six months negotiating the new lease and evolving details of the layout.

On hand for the branch were B. H. Groves, manager of the life, accident and group lines; James White, manager casualty and surety lines; A. B. Smillie, manager fire and inland marine lines; S. R. Plattenburg, cashier; L. M. Sterling, adjuster; John Munro, supervising engineer; L. F. Bliss, supervising payroll auditor, and Dr. L. D. Roberts, medical referee.

The new offices comprise approximately 40,000 square feet and include the entire third and half of the fourth floor. Offices of the management, agents and members of the cashier's department are consolidated on the third floor, while claim adjusting, engineering and inspection, payroll auditing, medical and physiotherapy are on the fourth.

One of the striking features of the new offices is the elimination of all counters. Instead of having to stand up, customers now can come in and sit down with countermen.

The offices are modern in design. All solid partitions have been removed and replaced with wooden panels and clear glass partitions. The elevators have been enclosed and the public corridors eliminated. Double windows with motor-driven ventilators have been installed and special treatment applied to the ceilings which will insure well ventilated and quiet working quarters and afford a much improved working arrangement.

The fact that agents are now all together is one of the things the management is particularly pleased with. They were pretty well scattered around before, and in some cases it looked like they might not be associated with Travelers at all.

Maryland Casualty Claim Men Meet at Home Office

BALTIMORE—The conference of field claim men of Maryland Casualty from over the country, which began at the head office here Monday, is concluding Thursday afternoon. After the opening address by President E. J. Bond, the sessions were directed by T. N. Bartlett, manager of the claim division. During the various sessions talks were made by J. McC. Gillet, vice-president and casualty director; W. T. Harper, vice-president and director of agencies, and D. C. Gibson, vice-president and director of advertising. The following were among the subjects discussed at length: The Unfavorable Trend in Automobile Property Damage Experience, Trends in Occupational Disease, Elevator Accidents, Liability of Surety for Torts, and Liability of Surety of Public Officials Holding Office Because of Successor's Failure to Qualify.

ACCIDENT AND HEALTH

Aetna Drops Age Rule on Children

Aetna Life, which formerly had a minimum age limit of 14 for children for accident insurance, has now liberalized its rules and will accept children that are in school, including kindergarten. By and large that will mean a minimum age of 5 years. The policy for children provides \$500 medical reimbursement and up to \$5,000 for loss of members. There is no principal sum and no weekly indemnity. There is no exclusion of accidents due to participation in athletics. Some of the companies writing students exact a football and hockey rider, but Aetna Life does not. There is quite a market for the sale of accident insurance on school children.

A. & H. Forum at Agents Rally in Kansas City Offers Stimulating Ideas

At the accident and health insurance forum, during the convention of the National Association of Insurance Agents at Kansas City, W. F. White, superintendent accident and health department of Globe Indemnity and Royal Indemnity, acted as discussion leader. He had as his associates Hunter Brown of Pensacola, Fla., who is president of the Florida Association of Insurance Agents, and George W. Carter, president Detroit Insurance Agency.

Mr. White called attention to the fact that the accident and health business is not a sideline of casualty insurance nor is it a specialty. Last year the premiums amounted to \$282,000,000,

only exceeded by automobile insurance. He predicted that this year the premiums will go over \$300,000,000. He said that the accident and health insurance business produces six times as much premiums as burglary and plate glass and three times as much as fidelity and surety. Last year, he said, there were 10,000,000 people who were injured in one way or another by accidents. Of these 950,000 suffered permanent injuries and 90,000 will never work again.

Home accidents, he said, caused 4,750,000 injuries so it is not the safest place in the world. The automobile was responsible for 24 percent of the total number of accidents but the home percentage is 26 percent. The bedroom in the home, he said, is the worst offender. The bathroom causes 4 percent of the home accidents. He said that in fire policies one in 400 becomes a claim. On automobile policies, one out of 12 will become a claim while in accident policies one in eight. He said there are 16,500,000 people insured against accident in this country although there are 40,000,000 wage earners that are still unprotected.

Mr. White predicted that in a short time there will be reduction in ages for students being insured against accidents. He said there is a large field in this respect. The minimum age now is 14 years but he said undoubtedly the age will be reduced to seven, eight or nine years.

All three speakers commented on the necessity for liberal adjustments because the policy works when there is a claim. Mr. Brown said that adjusters seem to get the adjusters' complex. He declared they do not know the public reaction. It is highly desirable, he said, to capitalize on good will in claim work. Satisfied claimants, he said, are the best advertisers an agent or com-

pany can have. Mr. Carter said that accident claims in his office are adjusted more satisfactorily than any other line of insurance and more good will is created.

Uneven Practices on A. & H. Countersignature

In connection with the countersignature agreement between the National Association of Insurance Agents and the Association of Casualty & Surety Executives one of the practical problems that has arisen is the treatment of accident and health business. Apparently there is uncertainty as to whether the agreement is intended to apply to accident and health as well as to the other casualty lines. The companies seem to be interpreting the agreement differently in this respect. Many of the companies seemingly feel that the countersignature agreement does not apply to accident and health and they are not requiring countersignature of all such policies. There was to have been discussion of this point at the Kansas City meeting of the National Association of Insurance Agents, but apparently the scheduled conference did not take place. Some of the companies religiously adhere to the agreement insofar as A. & H. policies are concerned, but others do not and feel that the agreement was not intended to comprehend A. & H.

Woman's Disability Division Opened in Chicago

The Continental Casualty's disability division branch office in the Insurance Exchange, Chicago, under Manager Jay De Young, has opened a women's division, with Mrs. Ida E. Rom appointed manager. She formerly was district supervisor of "Farm Journal" magazine in the southwest.

Other staff changes include: Alfred

H. Smith, Jr., solicitor in the office for more than a year, promoted to manager at Springfield, Ill.; William B. Treacy, solicitor, appointed agency supervisor in Joliet; Ira R. Jones, solicitor, appointed agency supervisor operating out of Springfield, and Willard H. Wyatt, solicitor in the office for three years, as manager of the men's individual department.

Hospitalization Premium Rates Are Increased

National Casualty this week announced increase in premium rates for hospitalization contracts effective Nov. 1, ascribable mainly to high loss ratio due to covering maternity and female disorders. The main advances are found on females. At present the increase applies only to new business, although action relating to renewals is being considered.

The advance does not as yet apply to form 880, plans A, B, C, D, E and F, but an increase is contemplated on these forms or else they may be discontinued. These provide the broadest coverage. National Casualty also announced a new form, No. 951, which is broad but limits maternity benefit to \$50.

Two separate sets of rate increases were announced, those applying to females under 45 and males under 50, and the second set to those over these ages.

The advance on form No. 923 was \$6 for females under 45 and \$18 for over 45; on form 927, increase 50 cents for females under 45 and \$6.50 for over 45; form 928, increase \$1.50 for females under 45 and \$4.75 for over 45. No change in rates was made for form 859, sold only to juniors, or the surgical operation indemnity riders Nos. 6441 and 6475.

Band Insured, All Killed

Last July, shortly after "Red" Sievers and his band, who traveled a great deal

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by automobile, had a narrow escape from an accident, James Robb of Minneapolis covered all six members of the band for accident insurance including accidental death. Last week all of them were killed in a collision with a truck near Owatonna, Minn.

Oklahoma Sales Congress Scheduled for This Week

The Oklahoma Accident & Health Association is holding its first annual sales congress at Oklahoma City Oct. 24, starting with a luncheon at which F. Glenn Packwood, Kansas City manager Massachusetts Bonding and National association executive board member, will speak. George L. Dyer, Jr., Columbian National, St. Louis, first vice-president National association, will speak at the afternoon session on "Back to Fundamentals." Emerson Davis, Dallas general agent Inter-Ocean Casualty, will talk on "Today's Market—an Opportunity and Responsibility." The session will close with a clinic on hospitalization insurance, with five association members, representing companies issuing various types of hospital coverages, participating in a round table discussion. R. B. Smith, Great Northern Life, president Oklahoma association, will preside.

Install Salt Lake City Officers

SALT LAKE CITY—At the first fall meeting of the Salt Lake Accident & Health Club, the new officers elected in June, headed by W. M. Jones, Business Men's Assurance, as president, were installed. Mr. Jones' agency had charge of the program. R. R. Newton outlined the present trends in accident and health insurance toward hospitalization and surgical coverages. A. E. Buckwell, Travelers, was named by President Jones as a member of the national law and legislation committee. The California-Western States Life agency will have charge of the November program.

Monarch Men Present Program

PITTSBURGH—Walter M. Ivey, manager Monarch Life, conducted the meeting of the Pittsburgh Accident & Health Association. Under a new system a member appointed by the officers is responsible for the program at a given meeting. Mr. Ivey discussed various approaches in sales presentations. Interviews were dramatized by William I. Wilson and Richard Muller, Monarch Life.

Permanent Hospital Plan Group

The American Hospital Association has created a hospital service plan commission, a permanent body, which will take over the work of the temporary committee which has been functioning under Dr. C. Rufus Rorem for several years. Except for a nationwide program of public education, no other expansion of activities is planned for the present. There are now 69 approved hospital plans representing over 7,500,000 members. A majority of the approved plans have agreed to devote a small proportion of their incomes to a national office supplying certain technical services and a promotion program.

The first Nebraska hospital association to incorporate under the new law covering cooperative associations is the Associated Hospital Service of Omaha, which has been operating for several years as an assessment casualty company.

PERSONALS

George W. Kemper, superintendent of the accident and health department of Fireman's Fund Indemnity at the home office, who recently underwent a serious major operation, has returned to his desk. Mr. Kemper, who spent six

weeks in the hospital and home, is "taking it easy" for a few more weeks.

Walter M. Ivey, Pittsburgh manager Monarch Life, will be honored for his 25 years service in Pittsburgh, at a dinner and dance Nov. 1. Home office officials to be present include C. W. Young, president; Col. J. W. Blunt and Francis L. Merritt, vice-presidents, and Alan Crowell, assistant director of agencies.

Clyde E. Dalrymple, general agent of Preferred Accident, Milwaukee, and president of the National Association of Accident & Health Underwriters, has

been confined to his home for the past three weeks with an infected foot. He is able to be out again now but still has to wear a slipper on that foot.

E. W. Sawyer, attorney for the National Bureau of Casualty & Surety Underwriters, was in Minneapolis the past week.

Del. and Fla. Revision Ready

The Association of Casualty & Surety Executive announces that new editions of the Delaware and Florida workmen's compensation law pamph-

lets, which will include important 1941 amendments, are now in the course of preparation and will be ready for distribution in the near future. Each pamphlet will contain the complete text of the compensation law and pertinent supplementary laws, and in addition the annotations of the latest cases since their publication in 1937. The price is \$1 for a single copy graded down to 65 cents for lots of 300 and more.

Read *Manufacturer & Insurance* by L. S. Myers to increase your sales. Send \$3 for copy to National Underwriter.

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CRIMINAL AT LARGE...

It happened at 3 A.M.—during a storm. Someone forgot to close a window . . .

Unseen, the intruder crept into the room . . . damaged the furnishings . . . broke through to the floor below to mutilate the wall and ruin expensive merchandise.

There were two unmistakable clues—a fallen ceiling and a tell-tale trail of water.

Water is always at large. And it has many ways of gaining admittance—with the help of the careless-

ness common to human nature. It seeks out the forgotten open windows . . . the faucets that are left running . . . leaky roofs. A plumbing failure often serves as an accomplice.

You cannot erect dikes against the mishaps caused by human failures . . . but you can easily obtain Maryland water damage insurance—to protect your store, home, office and factory against any financial loss brought about by water damage. Maryland Casualty Company, Baltimore.

THE MARYLAND

The Maryland writes more than 60 forms of Casualty Insurance and Surety Bonds. Over 10,000 Maryland Casualty agents and brokers can help you obtain protection against unforeseen events in business, industry and the home.

CHANGES IN CASUALTY FIELD

Paul Cherry, D. of C. American Surety Manager

L. Bert Nye has now been appointed attorney in charge of the mail route at Washington, D. C., for American Surety. He has been manager of the Washington branch of American Surety for the past 28 years, and has been with the company since 1900. He is a member of the Washington bar, to which he was admitted upon graduation from the George Washington University law school in 1905. He will, in addition to his new duties, continue as resident vice-president.

As manager of the Washington office Mr. Nye is succeeded by Paul N. Cherry, assistant manager for the past 21 years, and an employee of American Surety since 1911. He entered its service upon graduation from Georgetown University.

Open Los Angeles Branch

LOS ANGELES—Preferred Accident has opened a new Los Angeles branch office at 440 Fidelity building.

C. C. Washburn of San Francisco, vice-president in charge of Pacific Coast operations was on hand to greet visitors. He will remain in Los Angeles for a month to get the office well started.

Miss Fletcher General Agent

KANSAS CITY—Miss Reine Fletcher, who has been in the insurance business for more than 20 years, has been named general agent here for London Guarantee & Accident. Miss Fletcher has represented the company as a broker. She has now established her own agency.

Forsberg Promoted at Manchester

Randolph W. Forsberg, a native of Worcester, Mass., and graduate of

Clark University, has been promoted from field assistant to assistant manager in the casualty department of the Travelers branch at Manchester, N. H. Mr. Forsberg started at Worcester as a field assistant in 1928, being transferred to Manchester in 1937.

Beam to Anchor Casualty

LOS ANGELES.—Lionel C. Beam has become associated with Manager Parker Lowe of Anchor Casualty in charge of underwriting. He has been for several years with the R. H. Jenkins general agency as underwriter.

E. R. Dickson to Cleveland

E. R. Dickson, who has been assistant manager at Toledo for American Surety, has been transferred to Cleveland in the same capacity.

Chicagoan to Los Angeles

Robert Mullen, who has been casualty underwriter in the Chicago branch of Royal and Eagle Indemnity for the past five years, has decided to move to Los Angeles where he will probably engage in the insurance business in some capacity.

G. H. Graham, who has been associated with J. E. Lindeman in the Detroit office of the Detroit Automobile Inter-Insurance Exchange, has been appointed manager of the Jackson office.

John Flammang, who has been in the Chicago branch of Continental Casualty for the past 12 years, has joined Bituminous Casualty in Chicago in the underwriting department, assisting Joseph Miller.

Sell more accident with "Why Disability Insurance" booklets. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

NEWS OF CASUALTY ASSOCIATIONS

Los Angeles Survey Shows Remedial Action Is Needed

LOS ANGELES—The committee of the Casualty Insurance Association of Southern California, headed by Manager Myron N. Platt, of the Travelers, which has been studying the trend of business in the state in regard to casualty and automobile lines, with a view of ascertaining how best to stabilize the business for the companies which are members of the association, has completed its survey of the situation, and has submitted its report.

This report, which is most complete and covers a period of sufficient time to give a true picture of the situation, now is in the hands of company executives for study. The picture painted by the report is one that should bring about a decided awakening and immediate action to remedy the present situation.

Wheeler Heads Buffalo Club

BUFFALO—Frederic E. Wheeler, secretary of Tiernon & Co., has been elected president of the Buffalo Casualty & Surety Club. He succeeds J. Ellsworth Buck, Buffalo manager of U. S. F. & G.

Other officers are Vice-president, G. R. Blehdon, Norman Duffield Co.; secretary-treasurer, Kenneth R. Popham, Fidelity & Deposit; two directors, C. J. Goettelman, Woodworth-Hawley Co., and Mr. Buck.

The desirability of conducting a school in preparation for the insurance examination, was discussed. The club voted its support to the 100th anniversary celebration of the Buffalo Fire Underwriters Association Oct. 29.

Fisher's Compulsory Auto Plan Is Des Moines Topic

DES MOINES—The Des Moines Casualty & Surety Club discussed at its Monday luncheon the recent statement of Commissioner Fischer of Iowa that he was attempting to work out a department ruling establishing compulsory automobile liability insurance.

Wesley Barnes, U. S. F. & G., club president, reported on discussions held with the commissioner relative to the matter. It was the consensus of those at the meeting that a departmental ruling would not be enforceable and that

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such a plan could be made effective only through a legislative act.

Frank Noble, American Surety, reported on the National Association of Insurance Agents convention.

Egloff Speaks in Albany

John H. Egloff, Travelers supervisor of agency field service, spoke to the Casualty & Surety Club of Albany, N. Y., at its first fall meeting, discussing comprehensive coverage.

A. & H. Sales Pointers Given at N. Y. Conference

NEW YORK—Much of the value of a good prospecting job may be lost if the sales talk to the accident insurance prospect is of the usual generalized variety, J. J. Keon, Travelers, New York City, declared at the second New York City accident and health conference. The tremendous value that the buyer gets must be put across in specific and vivid fashion, he said. For example, if a policy pays \$100 a week if the insured is riding in a public conveyance, it means that the company has a liability of some \$167,000 if disability is permanent and the insured has an expectancy of 32 years. Even at \$50 a week it would require \$65,000 earning 4 percent a year to pay this indemnity.

Much is heard today about the comprehensive policy but for at least 25 years the accident policy has been broad and liberal, excluding only accidents in warfare, private planes and from hernia, said DeWitt A. Stern, New York City. He warned against selling a less than full-coverage policy, since the insured would not feel kindly in case he suffered one of the excluded accidents.

In prospecting it is necessary to work in prospects' "nests," advised L. O. Pursell, Reading, Pa.

"If you sell a man in an organization, try to get acquainted with others

in his company," he advised. "If you know where he has lunch, drop in there. Probably he will be eating with others in his organization and you'll have a chance to meet them. If you sell the boss, never fail to call on his assistants. You'll find it will be easy to get to know the people who work under him and they'll soon become customers also."

COMPANIES

Disallowance of Chicago Lloyds Contingent Claims Is Recommended by Jones

Paul F. Jones, Illinois insurance director, has issued a recommendation that contingent claims against Chicago Lloyds which are not reduced to judgment within the three-year statutory period be disallowed. When Chicago Lloyds went into receivership approximately \$2,000,000 of such claims, made up of suits against Chicago Lloyds' assured, were outstanding. These claimants had until Oct. 22 to file objections with the superior court of Cook county, which has jurisdiction in the liquidation of Chicago Lloyds. If such objection is filed, the claimant's case then will be heard in superior court.

The superior court has set Oct. 27 for hearing of any objections to recommendations of the liquidator.

Mr. Jones also reported on 301 claims against Chicago Lloyds for a total \$7,503, and recommended an allowance of \$3,397. These claims were for unearned premiums.

Guarantee of N. A. Examined

NEW YORK—Examination of the United States branch of Guarantee of North America by the New York department as of June 30, 1941, revealed

There's extra income for you in this Over-Age Accident Contract



★ People over 60 . . . those who have lost the firm step of youth . . . are constantly threatened by accidents. Yet, this is the age at which accident coverage is hardest to obtain.

Realizing this, hundreds of agents and brokers all over the U. S. have added materially to their premium incomes by writing the Over-Age Accident Contract avail-

able through this organization. You can do the same.

Underwritten by prominent underwriters, this contract covers death, dismemberment and weekly indemnity or death separately. Full details will be sent upon request.

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policyholders surplus of \$1,364,527. The company writes fidelity and surety lines in 14 states in this country. The major portion of its income is derived from reinsurance from United States Guarantee, though it has direct writing general and local agents in a number of the larger centers. It maintains branch offices in New York City and Philadelphia.

DEATHS

Howard Hodge, Newark manager of National Surety, died suddenly Sunday. He had been with the company since May, 1933. He was born in Baltimore in 1877 and was a graduate of Georgetown University. He was admitted to the bar in 1901. Besides his connection with National Surety he also had been with Fidelity & Deposit.

Henry H. Rolfe, 53, for eight years manager of the claim department of Ocean Accident's Chicago office, died suddenly in Chicago. He was a past president of the Casualty Adjusters Association of Chicago. Before joining Ocean he was claim superintendent for Globe Indemnity, had been with the Zurich head office, and was at one time general counsel for the old Integrity Mutual, all Chicago connections.

Formula Is Adopted by Accountants

(CONTINUED FROM PAGE 27)

ent states. Mr. Tarbell also is chairman of the committee which has been conferring with Commissioner Harrington on unearned premium reserves.

A resolution on Schedule W was unanimously approved and Cornelius Van der Feen, association secretary, was instructed to take the necessary steps, looking toward the proposal's adoption next year. Use of the new Schedule W will simplify accounting work tremendously and save a great amount of time.

H. O. Van Tuyl, chief accountant London Guarantee & Accident, reported as chairman of the committee on the New York casualty insurance exhibit that the new exhibit with many constructive changes will be incorporated in the 1941 exhibit following the committee's recommendation. The new exhibit will be much more usable than the old one.

Study on Adjustment Reserves

As chairman of a special committee on reserves for expenses of investigation, and adjustment of unpaid claims, Mr. Van Tuyl submitted a report which will be studied by members and will be discussed at the next meeting. It is the first comprehensive study that has been made of this subject since 1930, when a special committee of the Casualty Actuarial Society submitted recommendations.

The meeting was held at the Maryland Casualty's club house and was conducted by C. E. Woodman, comptroller of Ocean Accident, association president. More than 60 representatives of 65 stock companies attended. The four Baltimore casualty companies—Maryland Casualty, Fidelity & Deposit, United States Fidelity & Guaranty, and New Amsterdam—were hosts at the association dinner. Officials of these companies were guests of the association at luncheon at the Baltimore club.

Sketches Main Events of the Year

(CONTINUED FROM PAGE 18)

tional. "We are free of debt with money in the bank and ready to prosecute the Cincinnati Auto Club case

when it comes up for the next round in court," Mr. Kridler asserted.

Referring to the Auto Club case, Mr. Kridler recalled that the Franklin county court handed down a decision requiring the state to license as agents the solicitors of the auto club, and by inference to license anyone else who is "honest and trustworthy."

Leaders in the association came to the conclusion that new legislation was needed if the agency business were to be confined to those who are "capable, earnest and sincere in seeking to protect the interest of the public." Mr. Kridler emphasized that the association must always be actuated in such matters by a desire to serve the public, as any measure put forward for selfish purposes is dangerous and will and should be defeated.

The bill passed the senate by a handsome majority; was reported favorably by the house insurance committee, but the rules committee decided against the measure despite the fact that the agents felt that 75 percent of the house would have voted favorably. The agents must work together in order to secure passage of the measure at the next opportunity, he said.

Mr. Kridler said the Ohio organization has been working very closely with the Ohio Association of Life Underwriters and the relationship is mutually beneficial.

In self-preservation, Mr. Kridler said it appears the Ohio agents may have to support a financial responsibility law of the New Hampshire type. In the meantime the agents have a responsibility to reduce the number of uninsured cars.

W. O. Hildebrand, secretary of the Michigan Association of Insurance Agents, was a special guest. At the recent Michigan agents convention, three Ohio leaders were featured.

Lots of executive talent was on hand from Home of New York. Vice-president Geo. E. Allen was a banquet speaker. Also from the head office were Vice-president Ivan Escott, Secretary Leonard Peterson, Assistant Secretary L. V. Grady of Home Indemnity; Robert Walker of the marine department.

Ohio Farmers is always interested in the Ohio doings. In addition to President Don McVay there were present from LeRoy, Vice-president J. C. Hiestand; D. L. Jones, superintendent of agents; P. A. Wilder, farm department manager; J. W. McKeown, manager automobile and casualty divisions, and D. P. Ely, production manager.

North Carolina Liability Revision on Automobile

RALEIGH, N. C.—Revision of automobile liability rates in North Carolina, effective Nov. 1, was announced by Commissioner Boney. It is based on 1940 experience and is expected to save automobile owners about \$100,000, but the saving will be short-lived because 1941 traffic accidents in the state are fast moving ahead of the 1940 figure, Mr. Boney said.

The old W, X and Y classifications were abolished, all cars coming under the same classification. This was done, Mr. Boney said, because it was found more lighter cars figured in accidents than heavier ones, so owners of lighter cars will pay a slightly higher rate than formerly and a substantial reduction in rate for heavier cars will result.

A majority, 53.6 per cent, of automobiles in North Carolina are in the old W classification, 43.6 percent in X, and 2.8 percent in Y. Last year 54,301 cars in the state, or 10 percent of the total, were covered by liability insurance totaling \$1,534,250. Loss ratio on auto insurance during the year was about 49 percent.

Casualty Adjusters Elect Nov. 12

The Casualty Adjusters Association of Chicago will hold its annual election Nov. 12. H. E. Crosley, Glens Falls Indemnity, president, appointed a nominating committee headed by W. F. McNamara of Fidelity & Casualty.

Frank Peregrine, well known compensation claims attorney of Chicago,

will discuss "Objective vs. Subjective Symptoms."

Provision Causes Some Complications

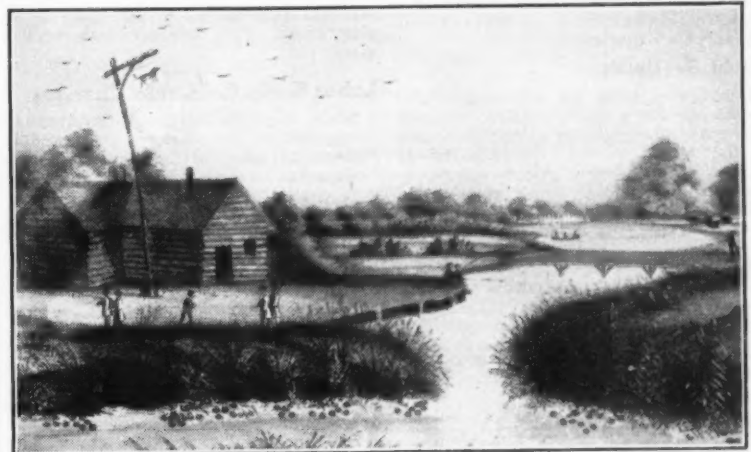
LANSING, MICH.—Despite action of the Michigan legislature before its final adjournment last week in attaching immediate effect clauses by concurrent resolution to a number of previously passed acts, the insurance department intends to ignore the last-minute gesture, it was revealed by department executives.

Some half a dozen measures pertaining to the business, which had been passed during the active session without immediate effect provisions, were among 55 similarly adopted acts for which new effective dates were presumably provided just before adjournment. All of these measures, however, had been

signed by the governor, had been printed in the public acts, and were only awaiting the constitutional 90-day interim after adjournment to become effective. Attorney General Rushton ruled in definite terms that the legislature's belated immediate effect action was a nullity and would not hold up if attacked in the courts.

Perhaps the most important of the acts is the Hammond law permitting the licensing of carriers in this state on a limited basis although their corporate powers in their home states exceed those permitted carriers in the same classification in Michigan. It places final responsibility on the commissioner, who may use his discretionary powers if he considers that an applying carrier is engaged in incompatible lines in its business outside the state.

Charles S. Kremer, the new president of Hartford Fire, has now been elected a director of Hartford Accident & Indemnity.



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WORKMEN'S COMPENSATION

Can't Select Retrospective After Policy Inception Is N. Y. Department Ruling

NEW YORK—Refusal of the compensation insurance rating board to approve an application to apply retrospective rating retroactively under a policy on the Committee on Emergency Training for National Defense has been upheld by the New York insurance department. The committee was appointed by the president of the board of education of New York City and its policy expired June 30, 1941.

The New York department stated that one of the retrospective plan's primary purposes is to provide assured a strong incentive for prevention of accidents. To permit a choice of rating under the plan after commencement of the policy period would only serve to render this purpose ineffective. An assured could make his choice dependent upon his favorable or unfavorable experience.

Would Be Unfair

Permitting such an alternative also would operate unfairly against assured who made the election at the inception of the policy period, the department stated. When assured selects retrospective rating he doesn't know whether he will have to pay more or less than standard rates. Experience in this case was favorable. However, had it been unfavorable the assured might have been called upon to pay a substantial premium in excess of the standard premium.

The plea was made that an exception should be made in this effective date because assured was a part of the general defense program.

Kill Mass. Bill Offered as "Antidote" to State Fund

BOSTON—The compulsory workmen's compensation insurance bill before the Massachusetts legislature, generally considered an "antidote" for the state fund bill sponsored by the Federation of Labor under the initiative and referendum statute, was definitely killed in the house. It had been reported favorably by the ways and means committee the previous day, with four dissenters.

The rejection of the bill is generally attributed to the opposition of the direct-writing mutuals. They apparently thought the bill, if it became law, would do them more harm than it would the stock companies, although their opposition was nominally because rates would not be fixed by the insurance commissioner. If this provision had been included, the act would have been definitely favorable to the mutuals, as they would have the same rates as the stock companies but would have the competitive argument of the so-called mutual "dividend."

This action means that there will be no further effort made to offset the move of the Federation of Labor until the matter comes up at the polls in November, 1942.

Urges Wholesale Druggists to Retain Rate Advantage

Members of the Wholesale Druggists Association, at their convention at White Sulphur Springs, W. Va., were called upon to take special interest in holding compensable accidents to a minimum. The appeal was made by J. A. Robinson of McKesson & Robbins, Inc., as chairman of the insurance committee of

the association. He pointed out that the new workmen's compensation classification for wholesale druggists represents an average reduction in rates of about 24 percent and that this would produce a saving of about \$25,000 to the wholesale drug industry. Mr. Robinson said it is important to continue to justify such a favorable position and to endeavor to secure even more credit. Each unit in the industry, therefore, has an obligation not only to itself but to its competitors to keep its losses down. If a few units in the industry should produce adverse experience that might result in the entire industry being penalized.

Experience is not likely to turn sour because of spectacular accidents, but rather from accumulation of the undramatic type of accident such as those resulting from tripping over objects carelessly left in aisles, lifting something too heavy or straining to lift in a careless manner, from falling or carelessly dropping cases, from contact with broken glass, etc.

Labor Seeks California Changes

SAN FRANCISCO—A number of compensation law changes are asked in resolutions adopted by the California Federation of Labor at recent convention, chief among which are:

Elimination of the seven-day waiting period; basing compensation on regular weekly earnings rather than average; payment of attorney's fees, in addition to injury compensation; making hospital and medical records available to injured workers; payment of permanent disability awards in addition to temporary disability benefits; elimination of informal ratings by the industrial accident commissions; disability rating in industrial dermatitis.

Another resolution seeks changes in the system of payment for compensation premiums on the grounds that the payroll basis is often unfair as employers are often required to pay premiums on wages in excess of \$40.48 a week while that amount is the limit on which compensation payments are based.

The California compensation fund was accused of "unfair tactics."

Charges State Does Not Pay Share

COLUMBUS, O. — E. L. Smith, Cleveland, as a taxpayer has appealed to the Ohio supreme court to force the state government to contribute its full share to the workmen's compensation fund in behalf of state employees. He alleged that the fund has a deficit of \$1,500,000 because the state government did not pay the appropriate premiums, paying injured state employees out of funds contributed by private employers.

Occupational Diseases Increase

NEWARK—Due to the increase in occupational diseases in New Jersey with more than 670,000 employed in the 11,000 industrial plants in the state, Labor Commissioner Toohey is urging the passage of bill providing for a bureau of hygiene and sanitation in the labor department.

New Jersey is one of the largest chemical producing states and hundreds of workers in these plants are exposed to occupational diseases. Last year four

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persons died in New Jersey, three were permanently disabled, 137 suffered permanent partial loss of a function and 393 were temporarily disabled because of occupational diseases due to handling or inhaling poisonous and corrosive substances, he stated.

No Change in New Jersey Rate

NEWARK—The governing committee of the Compensation Rating & Inspection Bureau of New Jersey has decided that on the basis of underwriting results through June 30, no immediate change is indicated in the manual rate level. This decision has been approved by Commissioner Reilly. There may be a few minor changes of manual procedure effective Dec. 31.

Prepare Minn. Rate Proposals

MINNEAPOLIS—Rate proposals for 1942 will be filed within the next week by the Minnesota compensation rating bureau, General Manager James F. Reynolds announced. The rating committee of the bureau meets Oct. 23 to act on the proposals. There was no advance indication as to what the new rates would be. For six consecutive years compensation rates in Minnesota have declined, the six-year reduction amounting to about 37 percent.

SURETY

Urges Pool for Writing Some with Jail Records

A pool plan for writing fidelity bonds on persons who have jail records was proposed in a paper distributed at the National Association of Insurance Agents convention in Kansas City by Robert H. Oppenheimer of Oppenheimer Brothers, Kansas City. At present, he said, with few exceptions, surety companies refuse to write a bond on anyone who has ever been found dishonest. Consequently, these people even after serving their sentences as provided by law and satisfying the demands of society find the doors of business remain closed to them.

This is an unfair condition, Mr. Oppenheimer argued. Surety companies should not override the decisions of the courts and the laws, but should welcome back these people who have expiated their crimes as free, honorable men.

He proposed a "surety court of appeals" to which to present all cases in which a member company because of past records of individuals involved refused to write the bond. Losses incurred under bonds issued by the court

would be paid from a pool created by member companies through premium charges sufficient to carry the risk. He said that underwriting profit would be possible if 80 percent of the cases submitted were to be accepted. He estimated about 500,000 Americans fall within this class.

Discuss Contractors' Bonds to U. S.

LOS ANGELES—The Surety Underwriters Association of Southern California discussed rates on contractors' bonds running to the U. S. government, when a misunderstanding as to the proper rate was cleared up, and liability on claim and delivery bonds where action had been dismissed, but no releases obtained. In discussion of a new section in the insurance code relative to probate bonds it was brought out that some Los Angeles courts are requiring attorneys filing probate proceedings to make affidavit that they have personal knowledge that beneficiaries are not in military service. Another change in practices noted was that alias writs now will be issued without regard to the 60 day period formerly in force.

Public Official Bonds Discussed

PITTSBURGH—A discussion on public official bonds was led by A. A. Rohrich, manager American Surety, at the meeting of the Pittsburgh Surety Association. Crosby T. Smelzer, assistant manager American Surety, opened the meeting.

New Handy Manual for Ill.

Bituminous Casualty has brought out a new edition for Illinois of its handy rate manual. This reflects the recent compensation rate changes in Illinois. This publication is much appreciated in the field. It gives the classifications that are most commonly encountered together with the workmen's compensation code number, the manufacturers and contractors liability code number if it is an M. & C. class and the O.L. & T. code number if it is an O.L. & T. class.

Another section sets forth the compensation and liability rates and minimum premiums for the various code numbers; there is an increased limits table for O.L. & T. and elevator liability and other useful features.

Splain Gets N. Y. Auto Post

NEW YORK—John Splain has been appointed administrative head for the New York metropolitan area of the new financial responsibility law, at a salary of \$5,000. He has been district deputy state motor vehicle commissioner at Jamaica.

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POINTERS FOR LOCAL AGENTS

Small Business, Pools, and Life Production Occupy Large Agencies

KANSAS CITY—Excellent suggestions on the development of small business by either large or small agents were presented at the convention of the National Association of Insurance Agents, in the session for agencies producing more than \$300,000 in annual premiums, by Richard H. McLarry of Dallas. Eric C. Gambrell, Dallas, president of the Texas Association of Insurance Agents, was chairman, and Alfonso Johnson, Dallas, secretary. About 75 attended.

Pointing out that his is a small agency, Mr. McLarry said there is considerable interest in the development of small business by all types of agencies. Larger agents are wondering where their small business has gone. One of them recently told Mr. McLarry that his agency income was coming almost wholly from half a dozen large accounts, and this situation, particularly in view of what promises to be a real depression after defense, scares him. Some of those half dozen accounts will be gone, he said, some of them will be small. Consequently that agent is going to devote his development effort all next year to small business, with bonuses to producers securing the greatest number of new accounts.

Federal Money Handlers

One source of small business is the many new federal organizations, and this opportunity is not confined to Washington but is widely spread over the country, Mr. McLarry said.

Here are some opportunities for \$5 to \$25 premiums: Individual fidelity bonds for those handling money in the Farm Security Administration, of whom there are 2,200 in Texas alone; position schedule bonds for federal medical bureaus; bonds for check cosigners working in defense relocation projects; bonds for farm labor bureaus, federal marketing; purchasing, "environmental," and homestead associations.

Not one agent in 100 is soliciting these, Mr. McLarry said. One Farm Security Administration man told him that he was the first agent to solicit that bond business in two years. These federal bureau people come from other parts of the state or from other states. They pay cash in advance. Unless they pay for the bond, the agent can mail a penny postal card to the appropriate official in Washington and the person will pay or get fired.

Gets Cash for Small Policies

One of the ways to solicit small business with a minimum of expense is to get cash for small policies. Mr. McLarry pointed out that "the big ones" are much more apt to "get into" an agency and create a bad credit situation.

Another means of holding expense in proportion on small premium business is to write it for long terms. In many cases this can be done. Also, he suggested, train the agency personnel to handle this business. This takes a lot of the detail off the agent so that he can concentrate on contact and development work, which he must do.

Collections are always a problem for the agency, but with small business at least Mr. McLarry finds much of this problem solved by asking for notes on premium balances. Some people don't pay much attention to debt owed on open account, but a note scares them and they pay it. He has had little difficulty in getting assured who don't pay

cash for the entire premium, especially on term business, to sign notes.

LIFE PRODUCTION

Those with larger agencies who operate life departments were enthusiastic about the results. About 75 percent of those attending the session do have such departments. Probably the most significant general idea that the discussion developed was this: Unless the large agency does provide life insurance, accident and health, hospitalization, etc., it is not doing a complete insurance job for its clients. Selling life insurance should be approached from the angle of providing present accounts with full coverage rather than selling individual life policies. Any agency with \$300,000 of business is incomplete without a life department. One agent said he had found the best way of serving clients is to act as a broker.

In introducing this topic, W. E. Harrington, Atlanta, said agencies can use their present customer list for developing life insurance just as they now do on other business. The agency needs a life insurance man to handle the de-

partment if it is going to do much with it. Renewals are valuable, more so even than with general business, a factor the local agent is apt to overlook.

Succeed with Renewals

The bugaboo of the life insurance business is lapsation, another agent said. Yet local agents' business is built around getting renewals, they work as hard on getting them as on originating the business, and the idea of renewing business permeates their entire organizations. Consequently they are equipped to meet one of life insurance's big problems from the outset. Perhaps, the agent said, life insurance pays too high a first year commission, which tends to defeat the primary purpose of keeping business in force. The life insurance agent is concentrating too exclusively on the large first year earnings.

A local agency with a pretty thorough knowledge of his client's business, his family and financial situation is in a position to do a better job than the life insurance producer, an agent said. He doesn't believe there's any "mystery" to life insurance. Certainly the local agent can get in easier, more quickly and on a sounder footing than the life agent.

Ewart Goodwin, San Diego, Cal., gave a thorough review of the war department insurance plan. One of the points he made is that an agent who

works out one of these has a chance to develop further covers for that assured.

While some agents feel that some pools control business to hold down commissions, general feeling in the session was that they provide the agent with capacity otherwise difficult or impossible to get, and also furnish the means of meeting competition on certain classes of risk or business. Formation of a pool was suggested by one agent to meet competition of mutuals, which have 70 percent of the compensation business in his state. Companies could then assume engineering and service overhead, now too high in relation to the small amount of premiums, leaving the agent less expense to offset the lower commission that would obtain under such a pool setup.

Pools are proving their worth today, when, with defense production, there is a real need for capacity. In a few instances agents reported that some of the larger defense plant offerings were too large but that a letter to the agent's own companies, members of the pool, has solved the difficulty.

Is there a tendency of underwriters at the company home offices not to underwrite some of the larger or more difficult offerings and let them go into pools? This question did not get general affirmation from the agents in the conference.

The subject of pools was led off by L. C. Hilgemann, Milwaukee.

Speak Good Word for Life Insurance Departments

Robert J. White, Los Angeles, presided over the N.A.I.A. meeting in Kansas City for agencies producing \$100,000 to \$300,000 in annual premiums, on the subject "Agency Operation and Management."

Wade Fetzer, Jr., W. A. Alexander & Co., Chicago, told of his office's experience with life insurance. It has used life insurance successfully as an entering wedge, he said, to other lines, fire, casualty and bonds. It has served, too, as a training ground for new men and has proved to be the means for getting good men into the business. "Our experience," he said, "proves there is some small profit in our life insurance business. It has been a forerunner of later business. We would not think of giving up our life department."

When Mr. Fetzer asked for questions, W. B. Glassick, Los Angeles, wanted to know if life business is always referred to a life salesman. Both ways, was the answer. "By and large our men establish themselves," Mr. Fetzer said. The office is general agent for two life companies, one being for group lines.

Group insurance had been a good business getter for a number of agencies, and not a few individual policies are produced by further cultivation.

J. J. Greenberg, Omaha, said they consider their life department a real asset.

Prospecting Program

Milton W. Mays, New York, gave a convincing opening talk on the importance of a well organized prospecting program. Failure to develop new business means the loss of 10 to 15 percent of an agency's existing business annually. Hit and miss prospecting is most apt to be remiss. Non-prospects should be weeded out. "A prospect,"



Snapped at N. A. I. A. meeting in Kansas City: Above—Barbara Bliss, Kansas City, Harold Wayne, secretary Inland Marine Underwriters Association, New York, and Margaret Bemish, Kansas City. Below—Ralph B. Innis, Kansas City, and J. J. Conway, Zurich, Chicago.

Mr. Mays said, "is a person who needs insurance and can pay for it." He described amusing experiences as a Fuller brush salesman.

All social and business contacts can be made productive of prospects. Care of prospect lists and pertinent material in folders or on cards was described. It pays, Mr. Mays said, to have one clerk responsible for collecting names of prospects with facts and the assignment of them to her employer, checking to see that he follows them up. Experience with descriptive advertising matter sent through mail was touched upon. It is important to keep agents' names before prospects rather than the company's. In the opinion of one speaker the agent cannot afford to spend time preparing advertising copy, but should put it in hands of others.

Auto Insurance by Mail

H. W. Hatch, New Britain, Conn., told of success his agency has had in campaigning for automobile insurance by mail.

W. B. Glassick, Hollywood, Cal., led the discussion on serving business already on the books. "Underwriting means to me," he said, "fitting suit to the man—the contract to the risk. The agent is the best person to prepare that contract, with due respect to the companies."

Importance of efficient personnel was stressed. A well qualified girl clerk in the office can often get for the agency as much business as an outside solicitor, by being alert to needed additional lines of coverage. New car replacing old car, for example, suggests need of collision for new car when it was not carried on the old.

"I don't like to sell insurance gadgets," Mr. Glassick said, "just to increase premiums and commissions but I do like to sell complete lines of protection." It pays the agent to handle his own losses up to limit allowed, in the opinion of Mr. Glassick, because it is service to his client that he should give and it builds good will.

E. W. Foley, Weston, Mo., said his agency recently handled from 250 to 300 windstorm claims in four days by having several jump into the job and stay with it until completed.

Clyde B. Smith, Lansing, Mich., voiced objection to restrictions being put on agents in his state in preparation of forms. This sounded a responding chord from several others, all of whom regarded it a point worthy of the careful consideration of the National association.

Brief time was left for the closing item for discussion, "Defense Demands and Opportunities." Congestion of added population in some localities, reduction in others, receiving by many workers of more money than they ever knew of before and the rate at which they are spending it are conditions that are having decided effect on the insurance business, all agreed. Expansion of plants is producing perplexing underwriting problems. It was generally conceded that we are on our way but where it leads to no one knows.

No Basis for Report That U. & O. Rates Will Be Increased

NEW YORK—There is no basis for the report that use and occupancy rates throughout the Eastern Underwriters Association jurisdiction are to be increased at this time, according to authoritative sources, as such procedure is not warranted by the loss experience so far. An approved change in the form applicable to manufacturing risks only provides that loss through replacement of raw stocks will be limited to 30 days, with a time limitation of 365 days, regardless of partial or total shut down. However, coverage beyond the numbered days may be had by an assured's taking out additional indemnity.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Henry Names Committees and Outlines His Objectives

WICHITA—Victor G. Henry, recently elected president of the Kansas Association of Insurance Agents, has announced the following committee chairmen: Accident and safety education, N. L. Toedman, Yates Center; business development and local board, Howard Fullington, Wichita; conference, Alex Case, Marion; educational and insurance school, H. J. Weltmer, Jr., Hiawatha; grievance, C. K. Foote, Wichita; legislative, H. O. Tinklepaugh, Kansas City; membership, N. N. Kline, Hutchinson; rural agents, Urban C. Brown, Emporia; speakers bureau-public relations, E. S. Nellis, Topeka; state owned property, S. H. Reynolds, Kansas City.

In his first message to the membership President Henry outlined the main objectives of the association as including:

"Formation of more local, county and district boards; extension of the educational program and a more ambitious B. D. O. program; augmentation of the membership rolls; closer relation with associations in neighboring states; development of a helpful legislative program; added impetus to the rural agents committee resulting from the scholarship award plan sponsored by the Farm Underwriters Association; full cooperation of the entire membership in making the association and its members a vital part in every community."

Mutual Official Decries "Unwarranted Attacks"

Leaders among the stock company executives should strive to end the "unwarranted attacks" on mutuals if the insurance business as a whole is to maintain its place in public esteem, R. C. Baker, executive vice-president Mutual Fire of New England, told the annual convention of the Wisconsin State Association of Mutual Insurance Companies in Milwaukee this week. He especially criticized "selfish interests" for attempting to impose a federal income tax on the unused portion of mutuals' premiums, a proposal, he said, which it was admitted before the senate finance committee was backed because of a competitive situation.

The insurance institution is bound to suffer, he said, unless competition is maintained on a fair and square basis, with due regard for public interest. Mr. Baker noted a trend toward participating policies as one fair method of meeting the mutuals on their own grounds and predicted before long many major stock companies will be issuing such forms. This kind of thing should not be decried or combatted by mutuals, he said.

Mr. Baker cited the proposal by the Massachusetts Federation of Labor for a state workmen's compensation fund, to be voted on in November, 1942, as something which should be opposed unitedly by all insurance companies.

Nearly 300 officials and agents attended the convention. The annual meeting will be held there Dec. 10.

President L. W. Schlieder, Sheboygan Falls, stressed friendly relations and cooperation with agents to help them to sell more insurance. He advised agents against trying to sell both mutual and stock insurance.

Discussing "The Wage and Hour Law," Harry P. Cooper, Jr., assistant secretary National Association of Mutual Insurance Companies, Indianapolis, said that there are still many points regarding insurance regulations under the

act that are open to arguments. Mutual companies and agencies are generally affected as to certain types of employees depending upon whether they do intra-state or inter-state business.

U & O Risks Loom Larger

Priorities and national defense have made use and occupancy risks loom larger in the insurance picture, and the plant owner demands more than merely fire loss coverage but wants to be protected against loss of earning power as well, Ambrose Kelly, secretary-treasurer American Mutual Reinsurance, Chicago, said in speaking on "Collateral Lines in Fire Insurance."

Salesmanship was discussed by Prof. F. A. Russell, University of Illinois; duties of an agent after a loss by J. F. Schiffer, Milwaukee adjuster, and equipment of an agent by Joseph Chapman, Mutual Reinsurance Bureau.

National unity and greater production were urged by DeLoss Walker, Chicago, associate editor of "Liberty."

Insurance problems were submitted by agents to stump the following board of experts: Ronald Barton, Schiffer & Co., G. E. Borst, L. R. McDonald, John Forst, Milwaukee; E. P. Hocking, Jacobs Agency, Janesville; R. N. Seward, agent, Lake Mills, and R. C. Merritt, Chicago.

Fleming Speaks in Cleveland

CLEVELAND—Speaking before a joint meeting of the Insurance Board of Cleveland and the Cleveland Association of Credit Men, T. Alfred Fleming, National Board, discussed the part played by insurance as the foundation of credit.

About 95 percent of business is conducted on a credit basis, therefore, the predominant credit business must be backed and protected, he declared.

Mr. Fleming called attention to new hazards and changed conditions, challenging his listeners to keep abreast of the times, both with respect to conditions and coverages. There are too many big risks with small coverage policies, thus indicating that insurance men are not on the job, he pointed out.

O'Toole Urges Fire Defense

ST. LOUIS—John J. O'Toole, president St. Louis Board, spoke on "Fire-Saboteurs and Defense" at a meeting of the Optimists Club of St. Louis, urging business men to join in the nation-wide defense against fire by forming fire prevention committees in their plants. He also stressed the necessity for safeguarding against "unfriendly" workers who may deliberately set fires or create plant conditions likely to cause a fire.

President O'Toole also prepared an interesting article on the same general subject for the current issue of "St. Louis Commerce," official chamber of commerce publication. A number of the leading insurance agencies cooperated in a double-page advertisement in the publication featuring "National Defense Through Fire Defense."

Paull & Son in New Building

CONNEAUT, O.—The John M. Paull & Son Agency has moved into its own building at 227 Broad street, with offices on the first floor. The agency was established in 1909 by John Paull, Sr., who is now postmaster here. Walter M. Paull joined the firm in 1926 and became owner and manager of the business in 1934. In 1940 the John C. Soet Agency was merged with the Paull office.

Field men of companies represented by the agency held a dinner and golf

party for Walter Paull in recognition of the progress he has made since assuming control of the business.

Standardizing Wis. Hose Threads

EAU CLAIRE, WIS.—Wisconsin fire departments are rapidly achieving standardization in hose and hydrant installations, J. B. Wilkinson, chief engineer Wisconsin Fire Insurance Rating Bureau, Milwaukee, told the League of Wisconsin Municipalities here. Eighteen years ago, he said, only 20 percent of Wisconsin municipalities were using a national standard thread. This has now been increased to 80 percent. National defense has stimulated interest in interchangeability of hose threads, and most of the remaining communities are now making arrangements to change to the national standard.

Ask Cooperation on Licenses

DETROIT—To secure further cooperation from fire companies, the Detroit Association of Insurance Agents plans to send out questionnaires which all companies operating in Michigan will be requested to have prospective agents fill out before applying for license. The association will ask that duplicate copies be returned to it.

This arrangement will enable the association to check on applicants for licenses to prevent men who have left an agency, owing it money, from repeating the performance elsewhere.

Five-Year Plan for Marshfield

MARSHFIELD, WIS.—Acting on an analysis of insurance coverage, values and costs on city school buildings and contents made by a firm of insurance counsellors, the board of education has voted to adopt a staggered plan of purchasing on a five-year basis which will effect an appreciable saving over a previously accepted three-year plan scheduled for next July 1.

Keep Full Record of Minn. Losses

ST. PAUL—Under the supervision of L. C. Lund, deputy commissioner in charge of the fire marshal's department, a complete record of fire losses and their causes is being compiled and will be kept in such permanent form that it will always be accessible to insurance men and others interested. Such fire records as have been kept in the past have not been any too complete and often have been difficult to find when wanted.

Gasche Heads Kansas Mutuals

W. B. Gasche, president and general manager of the Alliance Cooperative of Topeka, was named president of the Kansas State Association of Mutual Insurance Companies at its annual convention in Marysville. H. A. Praeger, president of the Farmers Mutual of Barton County, Claflin, vice-president and H. J. Ferguson, secretary Farmers Alliance, McPherson, reelected secretary-treasurer. Retiring President John Cottrell of the Farmers Mutual of Marysville was named delegate to the national convention in Los Angeles.

Lloyd Has Predecessors' Pictures

Superintendent Lloyd of Ohio has hung in his office, in individual frames, pictures of 23 of his predecessors in office. Three are missing, including the first superintendent, W. M. Church, who served in 1872. Seven of the superintendents are still living. One, Judge Harry L. Conn, served twice.

Hear Reports on Kansas Meeting

WICHITA—Reports of the recent Kansas convention were given at the October meeting of the Wichita Association of Insurance Agents by H. N. Fullington, J. L. Rader, Garnet Mason

and Victor G. Henry, president-elect of the Kansas association. John Engstrom, Jr., reported on the Fire Prevention Week program which he headed for the chamber of commerce. George E. Shank, Jr., Topeka, state agent Fireman's Fund, was a guest. Special recognition was given Mr. Henry for his election to the presidency of the Kansas association.

Kansas Educational Meetings

Educational meetings sponsored jointly by the Kansas Association of Insurance Agents and Kansas Fire Underwriters Association have been announced for Anthony Oct. 28; Arkansas City, Oct. 29; Eldorado, Oct. 30; Newton, Oct. 31; Abilene, Concordia and Goodland, Nov. 4; Garden City and Norton, Nov. 5; Pratt, Hutchinson and Hays, Nov. 6, and Great Bend, Nov. 7. E. A. Fikes, Home of New York, is chairman of the field men.

Scheufler Speaks in St. Louis

ST. LOUIS—Superintendent Scheufler of Missouri will speak at a meeting of the Insurance Brokers Association of St. Louis the evening of Oct. 29. William Jones of W. H. Markham & Co., is president of the association. The gathering will be an official introduction of the superintendent to the brokers and agents of St. Louis. Officials of other insurance organizations have been invited to attend.

Cleveland Officers Installed

The new officers of the Cuyahoga County Board of Underwriters were installed at a dinner meeting Monday in Cleveland. John T. Howard, city planner of the regional association, was the speaker. Gardiner Graydon is the new president; Hugh J. McFarland, vice-president; Burt Adams, treasurer; N. S. Tucker, secretary, and E. A. Strauss, C. B. Aldridge, the retiring president, and C. O. Witzel, the retiring treasurer, are trustees.

New K. C. Adjusting Firm

KANSAS CITY—Allied Insurance Adjusters is the name of a new insurance adjusting firm which John W. Lee has opened in the Temple building here. Harold Masters and Jack Simms are associated with him. Mr. Lee formerly was with Ray W. Curran for four years, and Mr. Masters and Mr. Simms also had some experience with the Curran office.

Bennett Explains "V-Plan"

ST. LOUIS—Walter H. Bennett, general counsel National Association of Insurance Agents, spoke Tuesday at a joint luncheon of agents and brokers here. He discussed the National Association's "V-Plan for Insurance," pointing out that it must be constructive, energetic and continuous.

Nebraska Mid-Year Nov. 5

The Nebraska Association of Insurance Agents will hold a one-day mid-year meeting at the Yancey Hotel in Grand Island, Nov. 5. The meeting will start at 10 a. m.

W. Owen Wilson to Illinois Rally

W. Owen Wilson of Richmond, Va., former president National Association of Insurance Agents, will represent that organization at the Illinois association meeting at Peoria, Nov. 6-7.

Will Remove Firetraps

LINCOLN, NEB.—Attorney-general Johnson has advised State Fire Marshal Crosson that he has full authority to tear down buildings that have been condemned by his department, regardless of delinquent taxes against the

property. This advice is given in the face of a statute that has generally been construed as forbidding such destruction.

With Northwestern Mutual

L. C. Wernet, an inspector and engineer for the National Inspection Company at Kansas City for several years, has been appointed special agent in Michigan by Northwestern Mutual Fire, with headquarters at Jackson.

Engberg, Preston at Windom

The Southwestern Minnesota Agents Regional Association will meet at Windom Oct. 23 with President L. D. Engberg and Secretary Frank S. Preston of the state association as speakers.

NEWS BRIEFS

Neare, Gibbs & Co., specialists in river marine and one of the old-time agencies of Cincinnati, will move shortly to most unusual new quarters in the Carew Tower. Among the features will be a conference room designed as a ship's deck with photo-murals of riverboats and Ohio river scenes and a reception room which will contain a pictorial record of Cincinnati from 1865, the date of the agency's establishment to the present time. Neare, Gibbs does a large river marine business over the entire Mississippi river system.

The Hutchinson Association of Insurance Women celebrated its first anniversary with a guest night. Several

guests were present from Great Bend. E. B. Fergus, Kansas Inspection Bureau, Wichita, led a panel discussion on agency office practices and procedure.

Clyde Latchem, Kansas state fire marshal, was guest speaker at the Topeka insurance women's meeting.

The late Frank B. Harris of the Harris, Burns & Co. agency, past president of the Wichita Board, and prominent in Wichita Masonic circles, will be honored by the Wichita Consistory, of which he was secretary and a 33d degree member. The November class will be known as the Frank B. Harris Class.

Winning window display in Fire Prevention Week observance in Minneapolis was that of the Dayton Co., large department store which displayed fire fighting equipment of by-gone years. The display was insured for \$2,500.

M. F. Lanphar, president of the Lanphar Agency, entertained 138 members of the Insurance Women's Club of Detroit with an exhibition of colored motion pictures he had made in Mexico. An elaborate style show was put on by the J. L. Hudson Company department store. Miss Agnes Krick, Michigan Audit Bureau, presided.

Art Kastman and Norman H. Bressman have joined the H. A. Wolf Company of Omaha. Mr. Kastman has been in the insurance business 11 years.

W. L. Davis has joined Complete Service Corporation, Detroit agency, as executive vice-president. R. C. Wilson is president and J. H. Cookerly secretary.

percent without in any way curtailing the work of that body. In fact many records are now maintained in the office which were not previously kept.

All members of the commission were present at the meeting. G. K. Babcock, agency superintendent Home, was a visitor.

Mutual Men in Atlanta

ATLANTA—Many mutual executives were on hand for the formal opening of the new offices of Associated Mutuals in the Kemper Insurance building.

Officers of Lumbermen's Mutual Casualty included President J. S. Kemper; H. G. Kemper, executive vice-president; R. G. Rowe, vice-president; Chase M. Smith, counsel; M. B. Weber and N. C. Flanagan, second vice-presidents; J. M. Magnus and T. H. Gillespie, secretaries, and J. T. Haviland, of Philadelphia, vice-president and manager of the eastern department.

Other executives present were J. H. R. Timanus, secretary of Philadelphia Contributionship; H. J. Pelstring, president Pennsylvania Lumbermen's Mutual; H. E. Stone, president Lumber Mutual Fire of Boston; F. B. Fowler, president Indiana Lumbermen's Mutual; C. E. Nail, executive vice-president Lumbermen's Mutual of Mansfield, O.; John A. Arnold, vice-president National Retailers Mutual.

The Georgia department was represented by Commissioner Parker, Deputy Commissioner Mitchell and Chief Clerk Thornton.

Larson Starts Rate Probe

TAMPA, FLA.—Commissioner Larson has declared that the fire insurance rates on company coverage on state properties are too high. He is making a survey of all risks covered outside the state fund to determine if all state properties shall be insured in the state fund. The department's 1941 report shows coverage of state-owned properties in state fund \$13,937,130, in com-

mercial companies \$11,920,266. State fund premiums were \$76,312.97, companies \$21,354.48.

This is causing agents much concern, as it brings into the rate investigation the probability of a heavy loss of commissions, along with general loss by reason of the practical certainty of rate reductions on mercantile and dwelling risks.

Testimonial Dinner for Ingalls

OKLAHOMA CITY—A testimonial banquet was given here for C. T. Ingalls, who is retiring as manager of the Oklahoma Inspection Bureau after 37 years in that capacity. He founded the bureau in 1904, built it to its present efficient standing and has been the sole manager since its establishment.

Nearly 200 fire insurance men were in attendance. Many telegrams and letters were received from out-of-state friends and company officials.

J. Berry King, Oklahoma City attorney, was toastmaster. Speakers included H. M. Sisson, Phoenix; John Benson, Bert H. Aust, Hanover; Charles H. Cowan, general agent; Fred C. Clarke, Aetna Fire; L. E. Antene, Mr. Ingalls' successor, and F. A. Rittenhouse, attorney.

The committee in charge of the event included George E. Wyatt, Hartford; Herbert K. Lininger, Springfield, and George W. Kline, Fire Companies Adjustment Bureau.

Extend Elevator and Mill Cover

RICHMOND—New schedules covering vandalism and builders risks on grain elevators and flour mills in Virginia have been approved by the corporation commission and are now in effect. The commission authorized amendments to the manual of flour mill and grain elevator schedules published in 1937 that would establish new schedules of coinsurance credits for covering vandalism and malicious mischief, as well as establishing new rates and rules

IN THE SOUTHERN STATES

Program Is Announced for N. C. Regional Meetings

The program for the regional meetings of the North Carolina Association of Insurance Agents was announced this week by Manager S. G. Otstott. It includes: "Dealing with Non-Stock Competition," a panel discussion led by H. P. North, Business Development Office, with three field men and three local agents taking part; "Know Your Coverage," a skit by Frank S. Wilkinson, local agent, and H. Gilmer Howie, Employers Fire; "Take It or Leave It," audiences participating; "Financial Responsibility Laws," a discussion by President R. L. Price of Charlotte; report on the national convention by the association's delegates to the Kansas City meeting, and an open forum period when any topic may be brought up by any agent or company representative.

The same programs are given at each of the eight meetings, which started Oct. 22 at Asheville, continuing at Winston-Salem, Oct. 23; Charlotte, Oct. 24; Williamston, Oct. 27; Wilson, Oct. 28; Kinston, Oct. 29; Lumberton, Oct. 30, and Greensboro, Oct. 31.

Directors of the North Carolina association have adopted a resolution urging that all local boards in the state require bonds of all officers who have the responsibility of handling money for the boards or the state association. The association regards such money as trust funds. The resolution is of special importance in cases where the local board handles public business.

Bodenheimer Agency in Own New Orleans Building

The J. H. Bodenheimer & Son local and general agency has established permanent quarters in its own building at 612 Gravier street, New Orleans. The building has been completely modernized, air conditioned and provided with every convenience.

The agency was established by the late Henry Bodenheimer of Shreveport in 1893 and opened its branch in New Orleans in 1912 under the management of J. H. Bodenheimer who now, with his son, Louis M. Bodenheimer, grand-

son of the founder, has continued the agency.

The original agency in Shreveport continues under the management of Albert C. Bodenheimer, son of the founder and brother of J. H. Bodenheimer.

Bolles Elected President of Louisiana Rating Bureau

NEW ORLEANS—A. J. Bolles, state agent Aetna Fire, was elected president of the Louisiana Rating & Fire Prevention Bureau at the annual meeting here. E. S. Waggaman, regional manager Royal-Liverpool group, was named vice-president, and W. S. Bizzell, reelected secretary-manager. New directors are: H. M. Holland, Hartford Fire; E. J. Sullivan, Commercial Union; S. G. Peters, London & Lancashire; George Wegmann, Lafayette; E. R. Pope, Home. Holdovers, J. L. DeTreville, St. Paul; Felix Perrilliat, Fireman's Fund; Henry A. Steckler, general agent; Harry G. Thomas, North British; Julian Prieleau, Springfield; E. W. Charlton, Jr., National of Hartford; T. K. Marlowe, Phoenix of Hartford; C. P. Fournet, state fire marshal, ex-officio.

Retiring President Herman Holland reported a satisfactory year. With the approval of the Louisiana insurance commission, he said, many changes in rules, forms and schedules had been made.

Predicts Higher Losses

In his report Manager Bizzell outlined the increased activities in which all departments participated. While the loss ratio for the past five years has been satisfactory, losses which have already occurred this year seem to point to an increased burning ratio. With cost of labor and materials rising daily, he said, it certainly is to be anticipated that even if the number and extent of fires do not increase, the insurance losses will rise materially.

Mr. Bizzell complimented the present membership of the Louisiana insurance commission, saying that they have been very active in the performance of their duties. He also pointed out that by effecting economies the commission has reduced its expenditures more than 50



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Visiting Women to Hear Sessions

Addison Sessions of Okmulgee, dean of the insurance institute sponsored by the Oklahoma Capital Stock Insurance Council, will speak on the casualty insurance school to be held in Oklahoma City Nov. 17-21 when the Insurance Women's Club of Oklahoma City entertains members of clubs from other states next Saturday. Officers of the National Association of Insurance Women and members of clubs throughout Oklahoma and adjoining states have been invited.

Goodridge Richmond Chief

RICHMOND — The Insurance Exchange of Richmond at its annual meeting elected Fergus A. Goodridge president; Robert I. Boswell, vice-president, and Archer L. Richardson, reelected secretary-treasurer. Directors are W. H. Branch, H. W. Butterworth, R. W. Cole, Ralph W. Howe, T. W. Kelley, J. W. Kessler, James A. Paul and B. A. Wallerstein.

The exchange now has 58 members, the largest number in its history.

Berry Heads Augusta Board

AUGUSTA, GA.—The Augusta Board of Underwriters has elected these officers: President, James A. Berry; vice-president, W. W. Bush; secretary-treasurer, A. H. Howell; executive committee, Scott Nixon, James P. Walker, Leopold Mothner and W. F. Law, Jr.

Members are to vote on a plan which they feel will improve the collection situation. Each member would report for exchange purposes to the secretary all accounts that are either slow or have been charged off.

Fla. State Storm Loss Not Covered

TALLAHASSEE, FLA.—The state carried no windstorm insurance on state hospital properties which had a loss of \$20,000 to \$25,000 in a storm Oct. 15. The only storm insurance reported on state properties in either the state fund or companies is \$32,200 on buildings at State Farm No. 2, and \$53,700 on contents.

Fletcher Eligible to Retire

RICHMOND—W. M. Fletcher, 71, since 1928 a member of the Virginia corporation commission, which has supervision over the insurance department, may now retire on two-thirds pay if he chooses to avail himself of the privilege. He is a graduate in law of the University of Virginia and a former law professor at Northwestern University.

Delay with Spencer's Successor

Appointment of a successor to the late E. W. Spencer as manager of the Virginia rating bureau is being held in abeyance pending the recovery of A. R. Phillips, vice-president of Great American and chairman of the governing committee of the bureau, who recently underwent a major surgical operation.

Conducts Defense Meetings

NASHVILLE, TENN. — Commissioner McCormack, head of the Tennessee civilian defense organization, at a mass meeting here Tuesday night introduced as the principal speaker Chief Deasy of the New York fire department. American Legion posts of the state have volunteered complete cooperation.

Require Commission Reports

NASHVILLE, TENN. — Commissioner McCormack is notifying all agents of the state that unless a report and affidavit is made concerning com-

missions paid to other agents or individuals and all countersigned business, their licenses will not be renewed for 1942. Report forms were mailed out to the 6,000 agents of the state several weeks ago.

NEWS BRIEFS

W. F. Law, Jr., Augusta, Ga., local agent, has been elected secretary of the Georgia district of Kiwanis and vice-president of the Augusta Kiwanis Club. Scott Nixon, another local agent, is secretary-treasurer of the Augusta club.

John R. Land, Jr., has been appointed vice-president and general manager of Cooper, Coffman & Brooks, Knoxville, Tenn. The agency handles fire, marine, all risks, casualty, and surety coverage.

EAST

Conn. Agents Meet at New Haven Nov. 5

The annual meeting of the Connecticut Association of Insurance Agents will be held Nov. 5 at New Haven. The principal speaker at the morning session will be T. Alfred Fleming of the National Board, on fire fighting and the hazards of air raids.

The afternoon will be taken up by an "Information Please" program, presided over by L. J. Ackerman, dean of the school of business and professor of insurance at Connecticut State University. The panel of experts, composed of company field men in all lines, will be asked questions which have been presubmitted to the chairman by the agents. Speaker at the luncheon will be Commissioner Blackall of Connecticut. The annual reports of committee chairmen will be given and the problems of the administration in the past year outlined.



L. J. Ackerman

Maine Association Elects Whitcomb at Annual Rally

WATERVILLE, ME.—The Maine Association of Insurance Agents at its annual meeting here elected John Whitcomb, Bar Harbor, president.

Other officers elected are Otis B. Stevens, Presque Isle; Norman S. Goodwin, Rumford, and James W. McClure, Bangor, vice-presidents, and E. S. Paul, Auburn, secretary-treasurer.

Francis F. Bartlett, Waterville, was named national councillor. Members of the executive committee are Thomas C. White, Lewistown; Leon Helson, Portland; Robert Moore, Biddeford; B. H. Brown, Houlton; Ralph Young, Portland; Asa O. Pike, 2d, Fryburg; G. C. Weston, Augusta, and Samuel Calderwood, Bangor.

Fete Patterson and Carl at 25-Year Mark

PHILADELPHIA—An event in fire insurance circles here was the housewarming that followed completion of the redecoration of the offices of North British & Mercantile in the Pennsylvania Fire building. The date of the celebration likewise marked the 25th anniversary of Secretary T. M. Patterson and of Assistant Secretary H. A. Carl with Pennsylvania Fire.

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COAST TO COAST

The head office was represented by Secretary R. T. Stewart, who read congratulatory letters to Messrs. Patterson and Carl.

Mr. Patterson's first business connection was with the Board of Fire Underwriters of Pittsburgh. Subsequently in turn he became special agent in western Pennsylvania for National Union Fire, assistant secretary of Girard F. & M., and in 1916 assistant secretary of Pennsylvania Fire, soon thereafter being elected its secretary. When control of Pennsylvania Fire was secured by North British, Mr. Patterson was given charge of the operations of the group for Philadelphia.

Mr. Carl went with Pennsylvania Fire after six years connection with a local agency. He was appointed special agent in suburban Philadelphia in 1923, and called to the Philadelphia office as assistant secretary three years later.

Maryland Women Organize

BALTIMORE—"Insurance Women of Maryland" was decided as the name for the new Maryland affiliate of the National Association of Insurance Women at the organization meeting here with an attendance of 73, of whom 59 signed applications as charter members.

Mrs. Emma Jenkins, Central of Baltimore, was elected president. Other officers are: First vice-president, Mrs. Mary Munroe, W. H. M. Smith agency, Annapolis; second vice-president, Miss Helen Warfield, Poor, Bowen, Bartlett & Kennedy, Baltimore; corresponding secretary, Miss Martha Thoms, United States Fidelity & Guaranty, Baltimore; recording secretary, Miss Lulu Feller, Association of Fire Underwriters of Baltimore City; treasurer, Mrs. Catherine Cromwell Hamlin, Equitable Life Assurance Society.

Mrs. Ada V. Doyle, chairman of the educational committee of the National association, presided.

J. D. Lazenby, past president of Maryland Association of Insurance Agents, introduced F. Addison Fowler, assistant secretary of Central; C. J. Fitzpatrick, secretary U. S. F. & G., and George S. Robertson, executive secretary Maryland Association of Insurance Agents.

Estep Elected in Pittsburgh

PITTSBURGH—W. Kaye Estep, Allegheny division, Middle Department Rating Association, was elected president at the annual meeting of the Insurance Club of Pittsburgh. W. J. Zwigg, Logue Brothers, and H. W. Schmidt are vice-presidents; Thomas J. Beagan, London Assurance, secretary, and Frank Reisz, Appleton & Cox, treasurer.

New directors are T. P. Lowry, Tener-Lowry, chairman; C. H. Alexander, McCandless, Collingwood & Alexander; H. B. Ellis, Hoover & Diggs; J. W. Hubbard, Keystone Adjustment Corporation; R. H. Ladley, Continental Casualty; E. A. Logue, State of Pennsylvania; E. W. Murphy, A. L. Patterson Agency; Paul M. Simmerman, New Amsterdam, and J. F. O'Connor, Employers group.

Dinner and entertainment followed.

Pa. Intercounty Group Meets

CONNEAUT LAKE, PA.—The Intercounty Insurance Agents Association held its October meeting here. George B. Fry presided. Joseph W. Barr, Sr., and L. L. Livingston reported the recent state association convention. The November meeting will be held at Grove City.

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Cover Bridge for \$34,000,000 and Seek \$7,000,000 More

SAN FRANCISCO.—Insurance amounting to more than \$34,000,000 has been placed or renewed on the Golden Gate bridge in San Francisco, according to Leo Cunningham, attorney for the bridge authorities, but the directors seek about \$7,000,000 more. The newly written policies cover fire, all-risks and U. & O. for five-year terms. The placing of this business has been persistently difficult since the bridge was first built and because of the services rendered along these lines, the bridge directors voted to pay to the brokers commissions of about \$1,500 on lines which had been cancelled. The directors said the brokers earned this as a fee for the long services given in seeking a market and assisting the bridge authorities to prepare the risk to make it acceptable.

Educational Course in San Diego

SAN DIEGO, CAL.—The San Diego Insurance Exchange opened its fall educational course this week with an especially large attendance. A. M. Palzer, London & Lancashire Indemnity; Vincent Kerans, Corroon & Reynolds, spoke on "Forms and Coverages." They appeared under the auspices of the Southern California Fire Underwriters Association.

A. N. Bushnell, Sr., Fireman's Fund, and G. H. Heissner, Jr., Aetna Fire, will talk Oct. 27.

Close Los Angeles Lecture Series

LOS ANGELES—J. R. Brink, inland marine special agent Phoenix of Hartford, talking on "Inland Marine Insurance," closed the series of lectures sponsored by the Insurance Exchange of Los Angeles. He showed how employees in agents' offices by watching the dailies that pass through their hands might find suggestions for additional coverages overlooked by the agent himself. Howard Swift, Pacific Board, spoke on the National Board, Underwriters Laboratories and Pacific Board.

At the meeting Oct. 28 George P. Cronk will speak on "Insuring the Oil Risk" and Prof. Norman Byrne of Los Angeles City College on the European war.

Wage Increase Recommended

SEATTLE—An increase in the minimum wage for women office workers has been recommended to the Washington department of labor and industries by a panel of nine citizens which heard a petition by the C.I.O. to boost the present \$13.20 weekly minimum. The suggested scale for experienced help is \$15 for a 40-hour week, \$16.50 for 44, and \$18 for 48 hours.

Winkler Is Forum Speaker

SAN FRANCISCO—Harold A. Winkler, agency superintendent of Hartford Fire, addressed the Fire Underwriters Forum Wednesday on "Underwriting the Producer."

He told how special agents are assist-

ing in educational programs for local agents and brokers to meet the newer conditions in the sales end of the business. Thomas Green, special agent of Hartford, was chairman.

Industrial Protection Booklet

A comprehensive booklet on recommendations for industrial and civilian protection has been issued by the California state fire marshal's office. The booklet, aimed at encouraging and assisting industrial plants in organizing plant fire departments, also contains a fire defense report and a general review of arson, incendiarism and sabotage methods and activities.

Bush Talks to Accountants

Loren S. Bush, chief engineer of the Pacific Board, addressed the Insurance Accountants Association of San Francisco on the work of the engineering department, including technical counsel for the creation and operation of rural fire departments, fire engine tests and how cities are graded by fire protection facilities.

Ebenstein, Kunody Change

LOS ANGELES—Ebenstein-Kunody Co., one of the largest insurance firms in Los Angeles, with offices also in New York, has been dissolved, and the firm name now will be Ebenstein & Co., with offices at the same addresses. Mr. Kunody retires from the company.

Stevens Named Coordinator

SAN FRANCISCO.—Charles R. Page, president of the Fireman's Fund group and director of civilian defense for the Ninth Corps Area, under National Director La Guardia of New York, has appointed Jay W. Stevens, chief of the fire prevention bureau of the National Board on the Pacific Coast, as coordinator of fire departments under the program.

F. D. Creedon, manager of the insurance department of B. F. Dillingham & Co., Honolulu, left for home Oct. 22 after several weeks on the mainland visiting company home offices and Pacific Coast departments.

The Portland (Ore.) Association of Insurance Women will hold its fall formal dance Nov. 1.

The Insurance Girls Service Club of Los Angeles will hold its fall dinner-dance Nov. 14.

K. M. Williams in Ohio Field

Kenneth M. Williams, who has been with American Automobile eight years, lately at the home office, is now in the Ohio field with headquarters in Cincinnati.

Johnson Named Underwriter

Julius ("Jack") Johnson has gone with the Chicago and Illinois office of Jones & Whitlock as underwriter in preparation for his assignment soon to the Louisville branch office of Jones & Whitlock.

CANADIAN

Royal Liverpool Changes Setup

MONTREAL—Royal-Liverpool's Montreal department has been converted into a branch office, and now has jurisdiction over all classes of business, except life, in the province of Quebec, Montreal and eastern Ontario.

The office is under the direction of J. W. Dooley, assistant secretary, with R. A. Musy as agency superintendent; R. Beaudry, fire superintendent, and J. D. Mason, casualty superintendent.

Inland transportation business is to be handled by R. J. Chillas, superintendent of that department, and A. Y. Wilkes as superintendent of the life agency business.

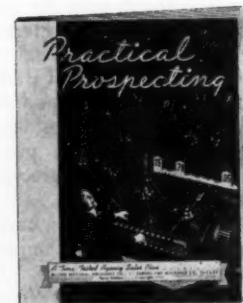
Cunningham Fire Superintendent

The Phoenix of London and associated companies have appointed A. T. Cunningham of Toronto as fire superintendent at the Canadian head office in Montreal.

MOTOR

Automobile Glass Discounts in Kansas City Reduced

KANSAS CITY—Following the action of motor car dealers and service firms toward withdrawal of discounts on materials to insurance companies and adjusters, firms replacing glass in motor cars have taken similar action. Several meetings of representatives resulted in decision to cut the usual discount of 40 percent on the glass to 25 percent but at the same time to readjust downward the flat rates on labor on specific operations. One glass-in-



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At N. A. I. A. rally in Kansas City: Elmo Johnson, Chicago, and Helen Meiners, Kansas City; Harry E. McClain, Indiana association secretary, and Fred Richardt, Evansville, Ind.

stalling executive said the proposal recognizes the validity of discounts to insurance companies, partly to avoid such charges as might jeopardize the comprehensive coverage which in the past few years has been the reason for a substantial volume of business from insurance sources. The proposed materials-discount of 25 percent, and the readjustment from the list flat prices on operations are less, however, than to dealers. The glass-installers met in response to an invitation from Ray Lloyd, secretary of the Automotive Trades Association, and are understood to be considering joining this association as a group, having no organization of their own.

Lists Prices of 1942 Models

NEW YORK—In a bulletin to members the National Automobile Underwriters Association lists the factory advertised prices of 1942 models of a number of passenger cars, pointing out that on the automobiles manufactured by the Chrysler, Crosley and the Ford companies, the prices do not include the federal tax, which tax however, has been taken into account by the association in its assignment of symbols. Pages containing the new symbols are being prepared for insertion in the manual, and it is understood, will be ready for distribution before the end of the month. As the new car models are now on sale, there has been a real need for a rating symbol applicable thereto and this will shortly be in the hands of local agents.

Atlanta Bureau In Its 25th Year

ATLANTA—The Atlanta Automobile Detective Bureau, branch of the National Automobile Underwriters Association, celebrated its 25th year of operation at its annual meeting Wednesday. Company and bureau executives from all parts of the country were in Atlanta for the affair, which was concluded by a dinner. R. Claude Patterson is manager.

Club Has Essay Contest

SAN FRANCISCO—The National Automobile Club has announced a contest among agents and brokers for the best 200-word essay on "How I Use National Automobile Club to Increase and Hold My Business." Manuscripts must be in the hands of the contest manager of the club in San Francisco prior to Nov. 5. Three awards of \$50, \$25 and \$10 will be made at the annual meeting of the California Association of Insurance Agents in Sacramento. An extra \$5 will be awarded if the winning agent or broker is present when the prizes are announced.

Texas Auto Rules Effective

AUSTIN—Rates and rules in the new automobile manual prepared by the Board of Insurance Commissioners of Texas became applicable Oct. 20. Copies of the revised Texas standard form of automobile policy, together with all endorsements, will, it is ex-

pected, be in the hands of companies and agents within a few days.

Wilson Given Kiwanis Post

H. G. Wilson of Phoenix, Ariz., president Arizona Association of Insurance Agents, has been elected secretary of the southwestern district of Kiwanis International.

Correction



SIDNEY O. SMITH

In last week's issue an unfortunate error occurred as the cut of L. B. Daniels of Seeley & Co. of San Francisco appeared under the caption of Sidney O. Smith. Both spoke at the last meeting of the American Association of Insurance General Agents and THE NATIONAL UNDERWRITER ran their cuts together. The custodian of the "morgue" unfortunately pasted Mr. Smith's name on the back of each cut. Therefore when the editor in charge called for Mr. Smith's cut for last week's edition the custodian got out his alias, Mr. Daniels. At the printing shop the page proof was not so good and the cuts were blurred. Therefore the mistake was not discovered.

However, no one can take the place of Sidney Smith. He is an institution in himself. He is leaving the active official ranks of the National Association of Insurance Agents this year, having served first as chairman of the executive committee, then president and then chairman of the executive committee again owing to a change in the official procedure. He has contributed much to the cause of the association and the upbuilding of local agents in general. All who come within the radius of his influence and conversation are charmed with his benign, sympathetic and cordial personality. This prince of the blood royal THE NATIONAL UNDERWRITER salutes.

Illinois Field Men to Study Forms

Action to investigate the interpretations and operation of two forms was taken by the Illinois Fire Underwriters Association at its quarterly meeting in Chicago this week. The executive committee was authorized to investigate the electrical exemption form used in Illinois to determine if it could not be drafted to conform with the Missouri form. The forms committee was instructed to determine whether the dwelling and household goods form could not be amended to conform to item No. 2 in the new dwelling and household furniture form No. 49 to obviate any possibility of lack of concurrency between the new and old forms.

A discussion of the new form No. 49 took place, the underwriters calling in C. W. Soderstrom, manager Illinois Inspection Bureau, to explain a number of points in question, especially what would be the rate for extended coverage on trees and shrubbery on premises. Mr. Soderstrom stated this rate was \$2.20.

McMullen Discusses Arson

H. E. Johnson, Jr., special agent Aetna Fire, association president, was in the chair. Horace McMullen, special agent of the arson investigation committee of the National Board in Chicago, gave a talk on incendiary fires. He said these were chargeable to five causes, revenge, to cover another crime, pyromania, for insurance gain, and sabotage.

Mr. McMullen touched briefly on the operations of the famous arson ring in Chicago, explaining how it was broken up and 66 convictions secured. He noted there is a pyromaniac now operating in southside Chicago and another in Zion City and a suspect there was being questioned this week. Pyromania, he said, seems to be involved with sexual complications. He noted two sexual perverts had set fires aggregating about \$2,000,000 loss all the way across the country from Rochester, N. Y., to California.

Six New Members

Secretary E. E. Edwards reported a number of new members admitted including Robert W. Ellis, special agent Hartford Fire; Harry D. Crawford, special agent Fidelity & Guaranty Fire; John N. Brushingham, special agent Globe & Rutgers, who was a member in 1921, and Frank A. Nelson, Paul Schminke and W. H. Ogren, special agents American of Newark. Miss Edwards also reported on the mixed agency situation in Illinois, there having been 53 mixed agencies reported at the annual meeting, of which 18 were cleared, and since, 79 new cases arising of which 34 were cleared, leaving 90 mixed agencies remaining.

J. G. Hughes, Phoenix of London, reported as chairman of the forms committee, giving explanation of form 49. Resignation of J. P. Fellows, special

agent Fireman's Fund group, as chairman of the B. D. O. committee, was received and Charles F. Daniels, Norwich Union, was appointed temporary chairman. The committee will be called to select a chairman who will be elected permanently at the semi-annual meeting. The annual meeting will be held June 18-19, 1942, at Lake Lawn, Delavan Lake, Wis.

Pearl Explains Bay State Stand

The considerations that prompted Pearl Assurance to withdraw from Massachusetts are disclosed in a letter from United States Manager Oscar Carlsson to Commissioner Harrington of that state. Pearl made the announcement when the United States Supreme Court denied the application of Pearl for a rehearing of its appeal, challenging the validity of the Massachusetts statute of 1922 requiring that the United States manager of a foreign insurer be a citizen of the United States. Mr. Carlsson is a British subject.

"This litigation," Mr. Carlsson wrote, "was undertaken by us in good faith because of the fundamental conviction that it was essential for us to know whether or not we had to change the entire structure and organization of our management throughout the United States or be deprived of the right to do business in Massachusetts. We felt that under the federal constitution and the treaties with Great Britain the Supreme Court of the United States would hold that such a statute violated the federal constitution and the obligations imposed by treaty. It has ruled otherwise and we, of course, are bound by its decision."

"In view of the fact, however, that compliance with your statute would compel us to change the direction and management of our affairs in 46 of the other 47 states, none of which requires that a United States manager be a citizen of this country, the board of directors of Pearl Assurance after the most careful consideration of this matter, has reached the conclusion that sound policies do not warrant the company in making such a radical change."

Merits of Insurance Common Stocks Told

(CONTINUED FROM PAGE 3)

practice insurance stocks enjoy all the marketability that would be required by any trustee who is holding for a reasonably long term and not for quick resale.

Entirely aside from the market value of insurance stocks their intrinsic or liquidating value has been steadily increasing because of companies' purchase of securities for their portfolios.

Gets Double Diversification

Since the buyer of insurance stocks is getting diversification through buying a share in the company's portfolio and also getting diversification in the wide variety of fields which the insurance business taps, the permissible percentage of insurance stocks which a trustee could hold might be larger than other stocks, perhaps as much as 25 or 30 percent being the maximum which could be permitted.

Like Mr. Geyer, Mr. Fischer stressed the age and stability of the principal companies in the insurance field. He directed most of his attention to investment in fire company stocks, saying that he felt them to be a shade more conservative than stocks of casualty companies.

While he spoke in highly favorable fashion of fire company stocks, he conceded certain possible objections, among them the following: Fire company stocks are not immune from price fluctuations and purchase is no guarantee that the buyer will be able to sell for more than or as much as he paid; it is entirely possible that loss ratios will

go sharply upward, particularly at present, when there is danger of sabotage fires; losses from U.&O. may increase, especially where the priority situation is acute, as in non-defense industries; surpluses are subject to wide fluctuations because of changes in the market value of company portfolios, particularly in the case of companies holding large amounts of common stocks.

Mr. Fischer suggested the following safeguards: The company must be licensed in New York state; it must have been in business for a minimum length of time preferably at least 30 years, so that it will have gone through all phases of the business cycle; it should have a strong dividend record, having paid dividends in at least 23 out of the last 25 years; it should be big enough to provide diversification, admitted assets being at least \$5,000,000; the minimum ratio of policyholders' surplus to admitted assets should be at least 40 percent, and greater in the case of companies holding unusually large percentages of common and preferred stocks.

Handling Borderline Cases

Mr. Fischer also said there should be some provision so that the superintendent of insurance could permit investments in companies which did not quite meet these requirements if they had exceptionally good management and also could rule companies ineligible, even if they met these requirements, where management was judged to be undesirable from a trustee's point of view. He suggested that not more than 20 percent of a trustee's assets should be permitted to be invested in fire insurance stocks and not more than 10 percent in the stock of any one company. Where the indicated life of a trust is 10 years or less fire insurance stocks should not be eligible, he said. Also, a requirement should be that there should have been underwriting profits in at least seven of the 10 preceding years.

Murray L. Watt, committee counsel, read the provision of the New Hampshire law regarding eligibility of fire company stocks for trustees' investments. These include the requirements that the company be licensed in New Hampshire, that its admitted assets be at least \$2,000,000, that surplus be at least 1½ times the unearned premium reserve and that it shall have paid dividends for the last 5 years. He asked Mr. Fischer if he thought these restrictions were sufficient and Mr. Fischer replied that he would prefer to see them a little stronger than that in New York.

Assemblyman Russell Wright, committee chairman, presided. Little was said about life company stocks as investments, since, as Mr. Geyer pointed out, most of the larger companies are mutuals and comparatively little life company stock is available for investment.

Two Surrogates Speak

Opposition to the proposal to legalize insurance company common stocks as trustees investments came from Surrogates James A. Foley and James A. Delehanty, who based their opinions on long experience in watching over the estates of decedents. They were not opposed to insurance stocks as such but merely to any attempt to broaden trustees' investments to include any kind of common stock.

Surrogate Foley said that on the basis of his many years experience on the bench he opposed investments of trustee's funds in any kind of stocks, preferred or common, no matter what the company. He warned against encouraging trustees to get into any form of speculation.

Agreeing with his colleague, Surrogate Delehanty said that the only possible justification he had ever heard for changing the law was that inflation might be ahead but that if we are headed for inflation all forms of fixed values would be wiped out and trust funds would be no exception. He doubted



Lowell Johnson, Kansas City attorney, and Col. E. E. Watson, Minneapolis attorney; Ralph Martin, president Milwaukee Board, and Mrs. Martin, at National association parley in Kansas City.

that a comprehensive formula could be worked out permitting investments in common or preferred stocks that would give full protection to trustees.

Alfred M. Best, insurance publisher, also expressed doubt as to the suitability of insurance stocks for trustees investments but observed that they were a good investment if bought in a reasonable market. Safeguarding of trust funds is still the essential thing, however, even though these funds earn less today than five or 10 years ago, Mr. Best declared.

Superintendent Pink of the New York department in a statement at the opening of the hearings conceded that the problem of investing trust funds is a trying one at this time. While insurance company stocks are as safe as any others he pointed out that there are certain dangers to be considered, in spite of the fact that there is comparatively little fluctuation in insurance stocks, partly because of the strict regulations governing insurance companies. The department's attitude on the question of insurance stocks for trust funds is one of "benevolent neutrality," he said.

Kirby Is Elected Head of Ontario Agents' Group

(CONTINUED FROM PAGE 3)

cars there will be a marked reduction in this class of business."

Strong objection was voiced by Mr. Mason to the new low inland marine commission rates issued by the Canadian Inland Underwriters Association. "We strenuously object to any association issuing an edict on any matter of vital importance to agents without first discussing the proposal with representative agency organizations and we should stand united in our opposition to this new proposal."

Membership Now at 669

Membership has increased, totaling 669. There were five new local associations added during the year. Mr. Mason urged that steps be taken to encourage the formation of local units at Guelph, Peterboro, Stratford, Woodstock and the Lakeshore district outside Toronto.

T. E. Clendinning, Ottawa, past president and executive committeeman of the Dominion Fire Prevention Association, reported that there is a growing use in Canada of fire prevention films and he urged agents to inaugurate fire prevention movements in their respective localities.

Tax Situation Arises

The fact that mercantile risks are now being written on a three year basis instead of one, has served to increase this year's commissions of agents handling these lines, J. D. Kirby, president Ottawa Fire & Casualty Agents Association, stated. As income tax laws now stand they are liable for heavy tax payments compared with previous years when their mercantile commissions

were for but one year. The government has been requested, Mr. Kirby explained, to change the existing law for the agents so that on 1941 returns they can pay one-third of the income tax created by this increased profit, and an equal amount in subsequent two years, holding the latter two-year period amounts for taxes in reserve funds.

School Cover Situation

The possibility that urban school centers will be able to persuade the Ontario government to inaugurate insurance funds for school properties is still remote, Leopold Jones, who has been investigating the matter for the Canadian Underwriters Association, reported. The Canadian Underwriters Association has undertaken a special study of urban school insurance and has analyzed the figures presented to the Ontario government by the urbans as their argument for a government-operated scheme at lower rates. These figures, in the main, have been proven to be erroneous. A survey for the past 15 or 20 years shows that urban school districts have fared well. Aggregate premiums for all Ontario urbans buying fire protection have been reduced to an annual figure not exceeding \$170,000, and hence any proposal that could be advanced either by the urbans or the government for a lower-cost plan to result in little, if any, saving to urbans, Mr. Jones stated. He expects that the matter may be dropped entirely.

NEW SETUP PROPOSED

Claiming that fire and casualty companies have not the right to deprive the agents of just commission rates, S. O. Mason, retiring president, urged that the association adopt a basic commission proposal. He suggested that when this is adopted individual members submit it to their companies as a basis for their commission contract, pending settlement of the entire commission question. Mr. Mason recommended that all recording agents who maintain established offices at their own expense in other than their own dwellings be termed Class A and all others Class B agents.

Since it is more expensive to operate an agency in a larger center, the question of a higher rate of commission on all classes of business in centers of say over 50,000 population should be given consideration with due regard to the actual percentage of added expense involved, Mr. Mason said.

Allowance for Extra Service

Agencies maintaining an inspection service at their own expense should be allowed an extra allowance for these expenses for the classes of business, such as factory and mercantile risks, that warrant special service. There should be restrictions on the operations of such agencies and they should also be approved by a committee of the Canadian Underwriters Association. It should also be considered whether com-

panies operating through this class of agency should be allowed to operate through the local agency system as well, he stated.

The All-Canada Insurance Federation is to make a report on compulsory automobile insurance and a committee has already been appointed to handle details, it was reported. Recent developments in automobile insurance legislation with reference to compulsory automobile and financial responsibility laws, will be compiled by J. J. Robinette, Toronto attorney, who has been retained as counsel.

Expect Immediate Action

In view of the adoption of a resolution favoring an agents' qualification law, immediate action to secure its passage is expected.

J. McClary Moore, London, retiring vice-president and chairman of the qualification law committee, presented the plan prepared by his committee. J. C. d'Auteuil, secretary Insurance Brokers Association of Quebec, outlined the workings of a similar plan in his province which is to be used as the basis for the proposed Ontario law.

New Section Organized

A new Qualified Insurance Agents Group is to be organized within the Ontario association for the purpose of improving educational standards. Membership will be open to members in good standing. The committee in charge will be empowered to enact necessary rules and regulations. A manual of instruction will be prepared and ways and means of ultimately securing professional basis or status for the agency business will be considered.

Toronto Proposal Presented

A report was read from the Toronto Insurance Conference urging the adoption of a plan to prevent a heavy influx of undesirables into the business at the end of the war such as developed in the depression years; to make available to successful agents a degree such as is issued to doctors with no view to asking the government to make it compulsory although at some time in the future the insurance department might make a junior degree necessary to a producer within a specified period if he is to continue to have his license. All members of firms affiliated with the Toronto conference and the Ontario association would be required to submit themselves for examination for a junior degree one year from the date of acceptance of the plan. All persons soliciting or negotiating insurance should be subject to such qualification, irrespective of status of their firm or employer; also that new employees of member firms be required to register and submit themselves for examination within a period to be decided.

Fire Marshal Scott reported there has been no case of fire through sabotage in the province since the war began. There has been a sharp decline in fires in industry caused by careless smoking.

Arthur W. Rogers, agency officer

MARINE INSURANCE NEWS

Personal Property Form Possibilities Eyed in East

There is much interest in the efforts that are now being put forth to get the personal property floater approved in the New England states. A hearing was held the other day before Commissioner Morin of Rhode Island on the subject, and he has approved the sale of the form beginning Nov. 1. It is likely that the agents in the other New England states, with the exception of New Hampshire, will seek to get approval of the form in their jurisdictions.

If New England should become personal property floater territory, it would limit the states in which it is barred pretty largely to those in the industrial east outside of New England, principally New York, Pennsylvania and New Jersey. With those states occupying such an isolated position, there might be a movement to cause the form to be approved there. If the personal property floater should ever become permissible there, it would result in a tremendous increase in inland marine premiums because there are located the great values.

Many of the inland marine underwriters, however, would be very timid about writing the personal property floater in New York City. It is a problem even in smaller places to get proper declarations on the part of the assured but the problem would be highly aggravated in New York City. Getting fairly accurate declarations is the key to the underwriting of this policy. In smaller places where the neighborhoods are pretty well classified and the nature and extent of a man's belongings can be determined rather easily, the underwriter is able to detect cases where the amount shown in the declarations is far below the real value. But in New York City, these facts are much more difficult to ascertain and it is not possible to judge by the neighborhood what an assured's true values might be. More-

over, it is felt that there is a much greater degree of claim consciousness in New York than in other places and the brokers there, it is feared, would be likely to emphasize to their customers the possibilities for recovering for small losses that are merely in the nature of wear and tear, for which, it is true, the companies are liable but towards which the insurer expects a reasonable attitude on the part of assured.

Security Advances F. S. Bankhardt

F. Stuart Bankhardt, manager of the inland marine department of Security of New Haven, has been advanced to the position of assistant secretary.

Prior to joining the Security group in July, 1939, Mr. Bankhardt spent 14 years with Osborne & Lange, Inc., Chicago where he became vice-president and manager of the marine department. Before that he represented North America as marine special agent in Ohio, Tennessee, Kentucky, Indiana, West Virginia and Pennsylvania.

In the past two years Mr. Bankhardt has concentrated on organizing Security's inland marine facilities on a country-wide basis, supplementing the company's inland marine connections with Wm. H. McGee and Company, which go back more than half a century. In the course of this work, branch marine offices were established in Chicago, San Francisco, Los Angeles and Atlanta.

Mr. Bankhardt is the author of Security's new inland marine rate and information guide, a 16-page folder outlining marine coverages and rates which is generally regarded as a complete, concise, marine manual for agency use. Mr. Bankhardt also took an active part

in developing the program for Security's 100th anniversary celebration this year and was largely responsible for Security's new sales and advertising manual, "Selling Security."

Increases Made in Marine War Risk Rates

NEW YORK—Sinkings of U. S. flag vessels have reached such a point that marine underwriters this week decided that war risk rate increases on American flag ships could no longer be held off. New rates to and from Egypt via Cape of Good Hope, which is the only route permitted for U. S. flag vessels, formerly 4 percent are: To and from other Red Sea ports, via Cape, formerly 2 percent, now 2½ percent; east and far east in general, via Cape, 1½ percent to 2, and via Panama or transPacific from ¾ to 1 percent on imports and from ¾ percent to 1¼ percent on exports. Comparable increases were made on rates to and from Persian Gulf and Australasian ports. Rates to and from African ports (excluding Mediterranean, Red Sea, and Gulf of Aden ports and Tangier and French and Italian possessions) increased from 1¼ percent and 1½ percent to 2; to and from Greenland, from ¾ percent to ½ percent.

Mariners to Meet Nov. 3

The Mariners of Chicago will hold a luncheon meeting Nov. 3 at which a member of the cartage theft detail of Chicago will speak. E. H. Eitel, assistant in the priorities division in Chicago, addressed the last meeting, explaining how the priorities affect business, to some extent increasing the cost of replacements and making them more difficult to secure. M. H. Plotnick, "skipper," presided.

Schulinkamp in New Post

Arnold L. Schulinkamp, for many years marine special agent for the southern department of Aetna Life affiliated companies, has resigned to become associated with Emery & Kaufman, New Orleans general agency, in the same capacity.



Snapped at N. A. I. A. gathering in Kansas City: Above—D. V. Moody, Elgin, Ill., and James Cochran, Dallas, Tex. Below—John J. Henschke, St. Louis, and E. D. Lawson, Chicago, western manager Fireman's Fund.

Ontario insurance department, reported that as a result of the war the number of fire and casualty insurance agents has been reduced considerably in the past two years. There also has been a sharp decline in the number of new applications.

War Introduces Problem

The question of insurance company office-salaried employees soliciting business in competition with agents was discussed by Mr. Rogers. The thinning of agency forces by the war has introduced a new replacement problem for fire and casualty companies. As a result, office employees, on salary, have been given permission, or have been requested, to solicit business. Under Ontario insurance law, salaried employees do not need to have licenses to sell such types of insurance.

An investigation into the matter was promised by Mr. Rogers, who admitted that the "problem has become too acute to be ignored." He stated that this "abuse" is common in the hail and tobacco underwriting fields, and he stated he plans to study the situation as to whether office employees should be licensed as agents and come under the jurisdiction of the Ontario department. He also told the convention that "many abuses of insurance principles by salaried employees have been brought to light."

To Plan "Ad" Conference Meet

The executive committee of the Insurance Advertising Conference will meet in New York Nov. 4 to make plans for the Dec. 4 meeting of the conference, also in New York, and to outline the work of the year.

Committee chairmen are: Educational, Charles E. Freeman, Springfield Fire & Marine; Fire Insurance Public Relations, F. Sidney Holt, Aetna Fire; Membership, T. W. Budlong, Loyalty group; Merchandising Research, Jarvis W. Mason, National Fire; Program, Harry G. Helm, Glens Falls; Publicity, Arthur D. Grose, Employers Liability.

As most of the committee chairmen also are on the executive committee, reports of progress from the committees will be assured at all executive committee meetings.

The Massachusetts Association of Insurance Women will open its fall season by attending the get-together dinner of the Massachusetts Association of Insurance Agents at its annual convention in Springfield on Oct. 29, at the invitation of President F. R. A. McGlynn.

On Guard!

WE, TOO, ARE DOING OUR PART

AS ONE OF AMERICA'S LEADING INSURERS OF SHIPS AND CARGOES



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Countersignature Issue Flares Up

(CONTINUED FROM PAGE 5)

have its committee at the Kansas City convention. Later this was recalled and hence there has been no further correspondence.

Wants Time for Trial

The National Association of Insurance Agents evidently has taken the position that no changes should be made so early in the procedure. The pact went into effect November of last year and the National Association of Insurance Agents received a letter from the Association of Casualty & Surety Agents in April asking for a conference to consider the changes it desired. The agents declare that the present agreement should be allowed to be in effect long enough so that it can be tried out.

There are differences of opinion among the agents as to what should be done. Some are well pleased with the minimum and maximum amounts because it seems to settle a number of important issues. The point has been made that if there are no definite figures named for commissions on the lower brackets it simply creates competition among agents, that is, here and there where arrangements must be made for countersigning policies, some offices offer to do the work for less than others. Of course some of the state laws that fix a very high commission allowed for countersigning have aggravated the situation very much. For example, there are some states that have a 50 percent commission statute. The producers are all elated over that part of the agreement which eliminates the salaried company men from countersigning policies. It would clarify the skies very much if agency license laws and countersignature laws were sharply divided. They do not belong in the same package.

Want Some Changes Made

So far as can be learned from the casualty headquarters, the executives are dissatisfied with the minimum and maximum commission amounts now in agreement. It is not known whether the organization would eliminate any figure or whether it is desired to have a change in the minimum and maximum amounts. Then there is a wish on part of the companies to disassociate the agreement from certain territories especially in the vicinity of New York City. Some company officers feel that this agreement should not apply at all to government business. It seems to be the opinion of company men and agents that the agreement has stopped other states not having countersignature laws or at least not having amounts for countersigning policies checked as there has been no evidence of any bills being in the hopper. Apparently there was a disposition on part of a number of agents in states where there was no percentage to have such laws or have the present laws amended to provide for a higher percentage for countersigning. The extreme was seen in Montana where the entire commission went to the countersigning agent. Fortunately the Montana agents got back of the bill that provided a reasonable procedure.

W. A. Sullivan's Comment

The third attack on the countersignature law of unreasonable provisions was made by W. A. Sullivan, insurance manager of the Loose-Wiles Biscuit Company of Kansas City, in a remarkable

address at the Kansas City convention. He stated that countersigning fees add to the cost of protection and only rarely do they improve service to policyholders. The buyer, he contended, should have a right to name the agent or broker who is to receive a part of his premium dollar. Occasionally it may be expedient, he continued, to use a resident local agent for countersigning and few buyers would object to his commission or fee but the dictatorial principle does not make for pleasant relationships.

Countersignature laws do interfere with the free flow of insurance and restrictions of this kind are not of benefit to the business as a whole, it is declared.

ANOTHER ATTEMPT SOON

NEW YORK—Failure of a committee of the Association of Casualty & Surety Executives to discuss with representatives of the National Association of Insurance Agents previously suggested changes in the present countersignature agreement during the Kansas City convention, was due to the inability of either committee to secure a full attendance of its members. This was considered desirable in view of the importance of the subject. Because of the distances between the domiciles of agents and company officials it is difficult to arrange a satisfactory meeting place and date, but a further effort to do so soon, will be made.

Economic Union with Canada Is Urged

(CONTINUED FROM PAGE 5)

nature of a public utility and efforts are being made to regulate prices so that they will be fair to the consumer and to the producer. In determining automobile and compensation costs, rating is scientific and sound, but in the fire and surety and allied lines, although considerable progress has been made, there is yet too much left to judgment and no effective formula has as yet been adopted. Even in compensation insurance where the rating has reached a high level, because of the competitive situation corners are cut and regulations are violated to keep the business. This is true particularly in the case of the larger risks where competition is most intense.

"We can probably meet direct rebating by stricter supervision and better police work. It is unfortunate that this should be necessary. The companies should police themselves. But their efforts in this direction are discouraging."

The most difficult problem faced in the rating of all lines of insurance is the problem of the large risks. In the rated territories there is a pretended compliance but the prices charged in non-regulated areas are often so ridiculously small that the violation of the spirit and purpose of the rating laws stands out like a sore thumb. Either all the provinces and states must have rating organizations and rating laws with substantially similar powers and duties or there must be some type of national rating organization which will fix the rate on these larger risks, Mr. Pink stated. In view of the interplay



Leaders at N. A. I. A. parley in Kansas City: Above—Allan I. Wolff, Chicago, past president National association; W. T. Ehret, America Fore state agent, Wichita. Below—John G. Emery, Grand Rapids, director Stock Company Association, S. B. Perkins, Travelers, Hartford.

of business and the close insurance relationship between Canada and the United States an organization which would cover both countries probably would be the most efficient.

Commends Diemand's Talk

There is no doubt that under the present system the non-regulated states lose taxes and in the regulated states the policyholders pay more than in the non-regulated states, Mr. Pink declared. He commented favorably on the courageous talk at White Sulphur Springs by President John A. Diemand of the North America, who indicated that it may be necessary to go back to competition to solve these problems. "The answer, little as we like the thought, may be a revival of competition, survival of the fittest, and more frequent examination of companies as to solvency. This would be turning the clock backwards and would cause regret to all forward-looking people in the institution as well as to the state supervisors. This solution should only be accepted as a last resort," Mr. Pink declared.

H. V. Smith's Group Had Been Alert

(CONTINUED FROM PAGE 5)

not an adequate force working in the plant to take care of the necessary changes and accomplish the desired results in a minimum time. Shipments

of rubber were coming in quite fast and some of the rubber had to be temporarily stored without automatic sprinkler protection being in service. The assured appeared willing to carry out requirements that the work should be speeded up.

Accompanying the same report were 36 definite recommendations for improvement in fire prevention and fire protection measures and five sabotage and malicious mischief recommendations. One of the recommendations was that certain large piles of rubber be cut up into smaller areas.

According to Mr. Smith the production division, office of the under-secretary of war, immediately sought to gain compliance by the plant management with the most important recommendations and much improvement was secured.

Recommendation of Oct. 7

As late as Oct. 7, the Washington office of Mr. Smith's committee called attention of the F. I. A. to the extreme urgency of safeguarding the crude rubber storage at that location and made suggestions about better care of crude rubber stocks in general. The Washington office stated at that time that its recommendations might appear stringent but the situation was such that safety measures should be adopted which would not be considered necessary during normal times. Rubber is so difficult to obtain and so vital to the program of defense that no single measure of precaution which will protect the existing stock may be omitted.

Mr. Smith stated that responsibility for the safekeeping of essential and scarce crude rubber was not that of the war department but of the Rubber Reserve Corporation. Insurance on the rubber was written under marine forms and the marine companies customarily performed no regular inspection. They presumably were without information about the enormous concentration of rubber at this point exposed to one fire. The Rubber Reserve Corporation, he said, must have been unaware of the jeopardy into which many millions of dollars of their property was placed. The committee, he said, has on several occasions made unreserved offers of its full facilities to Rubber Reserve Corporation as well as to Defense Supplies Corporation and Metals Reserve Company.

Mr. Smith expressed the hope that this will prove to be an object lesson as to the necessity of the proper subdivision of essential stores of defense materials and that the lessons drawn from this calamity may be speedily put into practice. Mr. Smith stated that he was making the statement so that his associates on the committee and those in the business who were performing a splendid self-sacrificing job may not be subjected to unwarranted criticism.

The E. H. Brantley & Co. agency, Augusta, Ga., has been sold to Leopold Mothner. Mr. Brantley is retiring from the insurance field.

Coming to Buffalo? BE SMART...BE THRIFTY

Stop at Hotel Lafayette, a hostelry esteemed by Buffalonians and all who really know Buffalo. Right in the heart of the theatre, shopping and business district. Fine, excellent food at sensible prices in our dining rooms and coffee shop. Garage across the street. The complete hotel, you'll be proud to stop at!

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Indianapolis News, May 16, 1941

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